



Fiscal Year 2007
**The Interior
Budget in Brief**
February 2006



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FOREWORD

BACKGROUND AND ORGANIZATION

This document summarizes and highlights the programs of the Department of the Interior and its fiscal year 2007 President's budget request. It has been prepared for Members of Congress, congressional committees, and their staffs; Departmental and other Federal government officials; the press; and private citizens interested in the Department's programs.

The **DEPARTMENTAL OVERVIEW** section summarizes budgetary resource requirements at the Departmental level. The **DEPARTMENTAL HIGHLIGHTS** section presents major Department-wide programs and budget proposals linked to Interior's strategic plan. The **BUREAU HIGHLIGHTS** section presents a narrative summary of the budget request for each bureau and an in-depth comparison in tabular form of 2005, 2006, and 2007 budgetary resource estimates, in addition to brief descriptions of programmatic changes. The **APPENDICES** present tabular summaries of pertinent budgetary data. Appendix A is a Department-wide table, comparing 2007 requests with the 2006 enacted and 2005 actual amounts. Appendix B presents a crosswalk of 2007 funding to the strategic plan end outcome goals. Other appendices contain summaries of Interior bureau maintenance, construction, and land acquisition programs; cooperative conservation programs; Everglades watershed restoration, invasive species, and recreational fee programs; energy programs; mineral revenue payments to States; other grant and payment programs; receipt estimates; and staffing levels.

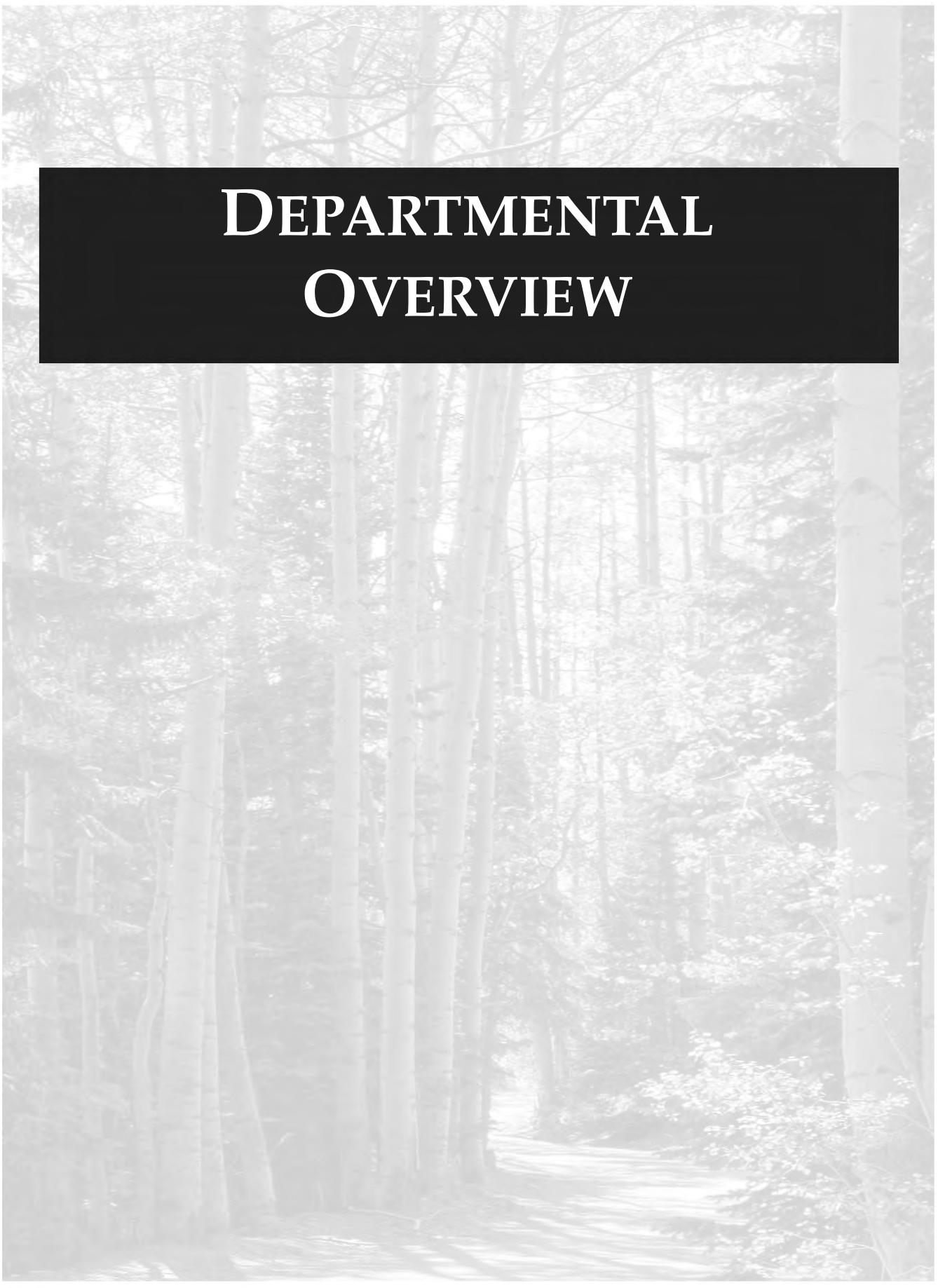
USAGE AND TERMINOLOGY

All years referenced are fiscal years unless noted, and amounts presented reflect budget authority unless otherwise specified. Numbers in tables and graphs may not add to totals because of rounding. Numbers shown in brackets [] are displayed for informational purposes and not included in totals.

References to **2006 estimate, 2006 appropriations, or 2006 enacted** signify amounts appropriated primarily in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006, P.L. 109-54, and the Energy and Water Development Appropriations Act, 2006, P.L. 109-103. Funding in both of these appropriations is subject to the one percent across-the-board rescission contained in the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, P.L. 109-148. Funding in the Interior Act is also subject to the 0.476 percent across-the-board rescission contained in that Act. Amounts for 2006 also reflect \$3.5 million in specific programmatic rescissions adopted as offsets for the hurricane supplemental and \$11.6 million in supplemental funding for Avian flu surveillance. Unless otherwise indicated, 2006 amounts do not include \$70.3 million in one-time hurricane response recovery and restoration funding. References to **2005 estimate, 2005 appropriations, or 2005 enacted** signify amounts appropriated primarily in the Consolidated Appropriations Act, 2005, P.L. 108-447, which included both Interior and Related Agencies Appropriations and Energy and Water Development Appropriations. **Fixed costs** refer to costs that are unavoidable in the short term (e.g., GSA-negotiated space rate costs, unemployment compensation, and government-wide changes in pay). Additional information on the basis for the amounts used in this document is provided in the note following Appendix A.

A listing of frequently used acronyms follows:

BLM	Bureau of Land Management	SOL	Office of the Solicitor
MMS	Minerals Management Service	OIG	Office of Inspector General
OSM	Office of Surface Mining Reclamation and Enforcement	OST	Office of the Special Trustee for American Indians
CUPCA	Central Utah Project Completion Act	NRDAR	Natural Resource Damage Assessment and Restoration
USGS	U.S. Geological Survey	NIGC	National Indian Gaming Commission
FWS	Fish and Wildlife Service	PILT	Payments in Lieu of Taxes
NPS	National Park Service	FCI	Facility Condition Index
BIA	Bureau of Indian Affairs	GPRA	Gov't. Performance and Results Act
DO	Departmental Offices	LWCF	Land and Water Conservation Fund
DM	Departmental Management	PART	Program Assessment Rating Tool
OIA	Office of Insular Affairs		



DEPARTMENTAL OVERVIEW



Departmental Overview

Preservation is about community partnerships, bringing together governments, private-sector institutions, local citizens, and businesses to celebrate the rich heritage of a community.

First Lady Laura Bush, July 26, 2005

Immediately in the wake of Hurricane Katrina, Interior employees mobilized to help in disaster recovery efforts at Interior installations and in their communities, assisting in rescue and evacuation efforts, giving out food and water, and providing temporary shelter for displaced people. In the days that followed, hundreds of Interior employees were dispatched to the Gulf area as part of interagency response teams. Refuge, park, science center, Minerals Management Service, Reclamation, and other Interior employees rescued people, removed fallen trees, provided mapping and engineering expertise to repair the levees, evaluated offshore energy infrastructure, managed staging areas for the distribution of supplies, and began to plan for long-term recovery.

The speed and dedication with which these employees responded to the needs of their communities and neighbors epitomizes the credo for public service evident throughout the Department of the Interior. As in every region of the country and throughout countless communities, Interior employees deliver information, services, and resources that improve the lives of all Americans.

The Department's broad, multi-faceted mission and geographically dispersed services and programs uniquely contribute to the fabric of America by maintaining and improving the Nation's natural and cultural resources, economic vitality, and community well being. Interior's 70,000 employees and 200,000 volunteers live and work in the communities, large and small, that they serve. They deliver programs through partnerships and cooperative relationships that engage and invite citizens, groups, and businesses to participate. This citizen-centered approach leverages the Department's activities, which include:

- Managing one in every five acres of land in the United States.
- Operating 388 national parks and 545 national wildlife refuges.
- Managing lands and waters that generate one-third of the Nation's domestic energy supply.
- Operating over 472 Bureau of Reclamation dams and over 2,000 other dams.
- Serving American Indians, Alaska Natives, and affiliated island communities.
- Providing scientific information to advance knowledge of our surroundings.
- Working with States to restore abandoned mine land sites and protect communities.

The challenges are many, but they are made more manageable through an integrated approach that defines common mission goals for all bureaus and offices. The Department's integrated strategic plan is key to this approach. The plan defines four mission categories—resource protection, resource use, recreation, and serving communities. Capabilities in partnerships, management, and science are at the foundation of the plan and weave throughout the four mission goals.

Using the strategic plan as a road map, the Department met or exceeded goals for 69 percent of its annual performance measures in 2005. Since 2001, the Department has:

- Completed nearly 6,000 national park facility improvements and maintained high park visitor satisfaction rates, according to surveys.
- Helped meet the Nation's energy needs by nearly tripling annual energy permit processing on Federal lands.
- Advanced cooperative conservation through Private Stewardship and Landowner Incentive grants that have funded 943 projects with 1,466 partners.
- Protected habitat on 8.8 million acres managed through partnerships.
- Improved forest health on 5.6 million acres of Interior-managed lands through the Healthy Forests Initiative, a 108 percent increase over the previous five years.

Performance lies at the center of the Department's 2007 budget. Within the context of the President's commitment to reduce the deficit by more than half by 2009, the budget seeks to maintain performance across the Department's strategic goals and improve performance in areas that are high priority Administration initiatives.

The budget incorporates Program Assessment Rating Tool reviews and program evaluations by the Department's Inspector General and the Government Accountability Office. It also builds upon a broad analysis of base programs. During budget development, the Department reviewed cost and performance information; financial information, including anticipated carryover balances; staffing; and the budgetary benefits of working smarter and better utilizing resources. These efforts shaped the budget by highlighting the effect of allocation decisions on strategic goals and identifying opportunities to realign priorities and improve efficiency.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2005, 2006, AND 2007**
(in millions of dollars)

	<u>2005 Actual</u>	<u>2006 Enacted</u>	<u>2007 Request</u>	<u>Change from 2006</u>
BUDGET AUTHORITY				
Total Current Appropriations	10,887	10,848	10,526	-322
Permanent Appropriations.....	4,952	5,448	5,580	+132
Total.....	15,839	16,296	16,107	-189
[Net discretionary BA in above]	[10,777]	[10,752]	[10,138]	[-614]
RECEIPTS				
Outer Continental Shelf	6,144	9,118	9,541	+423
Offsetting Receipts.....	5,593	7,069	6,719	-350
Onshore Mineral Leasing	[3,413]	[4,973]	[4,562]	[-411]
Other Non-Offsetting Receipts	628	680	706	+26
Total.....	12,365	16,867	16,966	+99

Note: Numbers may not add due to rounding.

THE NUMBERS

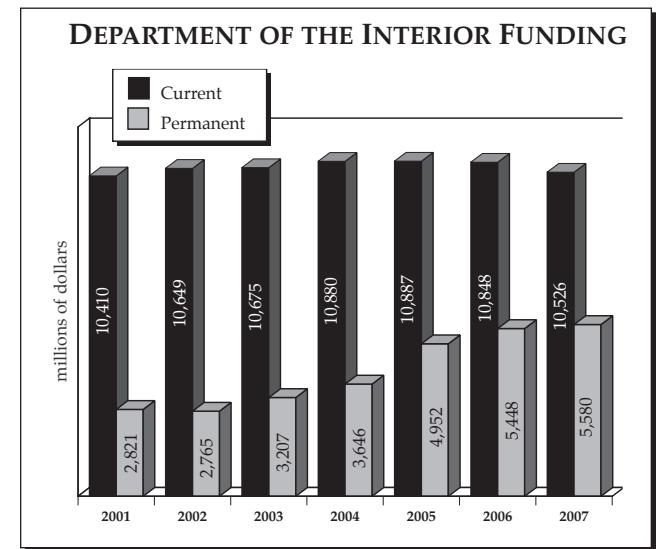
The 2007 budget request for current appropriations is \$10.5 billion. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.6 billion for a total 2007 Interior budget of \$16.1 billion.

The 2007 current appropriations request is a decrease of \$392.2 million or 3.6 percent below the 2006 funding level. If emergency hurricane supplemental funding is not counted, the 2007 request is a decrease of \$321.9 million or 2.9 percent below the 2006 level.

The 2007 request includes \$9.6 billion for programs funded in the Interior, Environment, and Related Agencies Appropriations Act, a decrease of \$190.9 million or 1.9 percent from 2006, excluding the emergency hurricane supplemental.

The request for the Bureau of Reclamation and the Central Utah Project, funded in the Energy and Water Development Appropriations Act, is \$923.7 million. This request includes a net programmatic reduction of \$43.1 million, or 4.1 percent, from the 2006 funding level. It also includes the proposed cancellation of \$88.0 million in prior year balances of appropriations for the Desert Terminal Lakes program.

Receipts collected by the Department in 2007 are projected to be \$17.0 billion, an increase of \$99.4 million over 2006 and \$6.5 billion more than Interior's current appropriations request.



ACCENT ON RESULTS: MANAGEMENT EXCELLENCE AT INTERIOR

Meeting the Department's many responsibilities requires a constant search for ways to work smarter. In 2007, Interior will continue implementation of the President's management agenda and our Accent on Results initiatives.

Budget and Performance Integration — Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of funds. Interior's approach to this integration extends beyond the cyclic budget formulation process. It includes an intensive and expansive review of base budgets to identify opportunities to redirect resources to higher priorities, realize additional gains in effectiveness and efficiency, and implement the Program Assessment Rating Tool recommendations. Departmental employees are coding their time and purchases to activities that describe the work of the Department through an activity-based cost management system. Interior has adopted an Senior Executive Service performance management and appraisal program to emphasize strategic plan goals through the performance of each executive. Goals are cascaded down to non-SES employees as the basis for pay, awards, development, retention, removal, and other personnel decisions.

Financial Performance — The Department is transforming its financial management functions to create a world-class financial management structure that links planning and budgeting with performance results; performs efficient and reliable transaction processing; recruits, trains, and rewards top financial management talent; and focuses on analysis to improve the business information available to program managers. Interior received a clean audit opinion on its consolidated statement for the ninth year; completed the 2005 audit within 45 days of the end of the fiscal year; received no new reported weaknesses; and reduced auditor-reported material weaknesses by 50 percent from 2004, the greatest reduction achieved by any agency. Interior is migrating financial and other business systems to the Financial and Business Management System, which will replace a variety of outdated, stand-alone, mainframe-based systems that are costly to operate, difficult to secure, unable to provide timely financial and performance information, and do not comply with financial system standards.

E-Government — Interior has significantly improved its information technology environment by deploying an e-government strategy to move from stove-piped legacy systems to government-wide and Departmental solutions. Using its enterprise architecture, Interior can identify duplicative systems that will come off line with the availability of new systems and provide a sound basis for capital planning and investment decisionmaking. Interior continues to implement improvements in its IT security program, continuing a robust certification and accreditation program.

Human Capital — Interior's efforts to improve the management of human capital build upon the *Strategic Human Capital Management Plan — FY 2003-2007*. As outlined in the plan, bureaus have developed workforce plans that are guiding human resources management throughout the Department. Based on extensive workforce analysis, bureaus and offices are restructuring to focus on priority programs and fill skills gaps. The Department continues to focus efforts on ensuring the safety of employees through training, improved awareness, and certification of safety officers.

Competitive Sourcing — Competitive sourcing provides a means for bureaus and offices to periodically evaluate business practices and develop more effective ways to deliver service. As a result of competitive reviews already completed, the bureaus and offices throughout Interior are realizing savings. To date, Interior has studied 3,200 FTE with a projected \$7.0 million in annual cost savings. Department-wide an additional 1,900 FTEs are currently being reviewed to determine suitability for additional competitive reviews.

Asset Management — The Department has significantly improved Federal real property management, by consolidating responsibilities for real property, completion of the Department's first asset plan, and completion of the Federal real property profile.

SUPPORTING THE DEPARTMENT'S MISSION

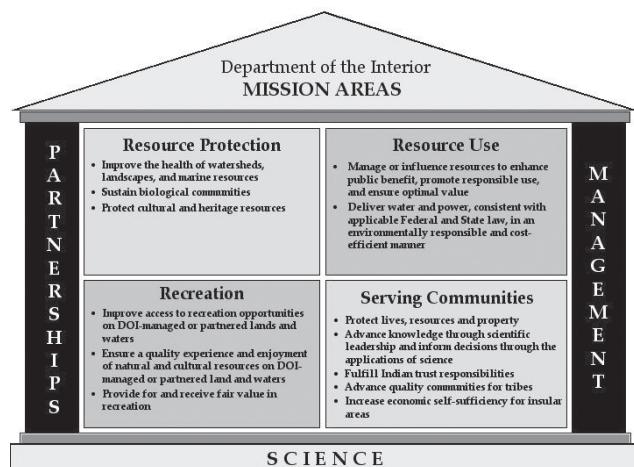
The 2007 current appropriations request of \$10.5 billion aligns with the four strategic mission components of the Department's strategic plan as follows:

Resource Use – The 2007 budget includes \$1.5 billion to enhance the Nation's energy security by implementing the National Energy Policy and the Energy Policy Act of 2005, to meet demands for water resources, and to support the goals of the Healthy Forests Initiative.

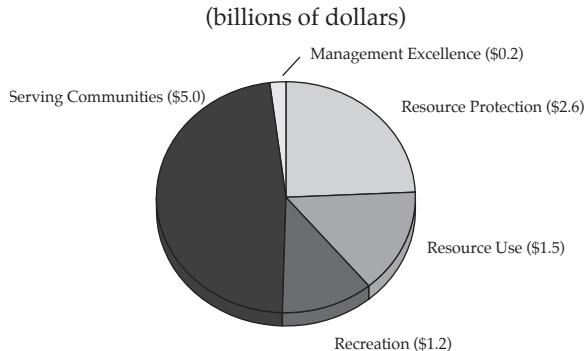
Resource Protection – The 2007 budget includes \$2.6 billion for programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources.

Recreation – The 2007 budget includes \$1.2 billion to support recreation goals, including improved access to recreational opportunities.

Serving Communities – The 2007 budget includes \$5.0 billion to serve communities by increasing efforts to fulfill responsibilities for trust management, supporting services to Tribes and individual Indians, and improving Indian education. The budget for serving communities also supports the wildland fire program, law enforcement, and the quality of science information on which policy decisions are based.



INTERIOR FUNDING BY MISSION GOAL



MAINTAINING CORE PROGRAMS

The work of the Department of the Interior is spread across the country at 388 parks and 545 wildlife refuges; on 261 million acres of public land; at 83 field locations and 184 schools serving 561 Indian Tribes and 1.6 million Native Americans; at over 472 dams and 348 reservoirs operated by the Bureau of Reclamation; and at numerous laboratories and field research facilities. These sites are not just acres and buildings. Collectively they represent America's heritage.

The core responsibility of the Department is to maintain the resources in its charge and to provide services to those who use or rely on them: park visitors, wildlife watchers and hunters, stockmen and miners, Tribes and individual Indians, farmers and electric power users.

The work of Interior is people intensive. The Department's 70,000 employees serve at 2,400 operating locations. Pay and benefit costs in the bureau operating appropriation accounts that support Interior's on-the-ground programs are 53 percent of total costs, a percentage higher than for most other Federal agencies.

Over the past five years, the Department has worked smarter, improving the efficiency and effectiveness of programs. Among other accomplishments, these efforts have achieved:

- More strategic prioritization of program requirements and resource allocations based on the results of PART reviews, activity-based cost management data, and base budget analysis.

- Restructuring of workplaces guided by workforce plans to improve alignment of skilled employees with anticipated needs and potential gaps that will result from impending retirements.
- Completion of competitive reviews encompassing 3,200 FTE, generating \$7.0 million in annual cost savings, and yielding improved performance.
- Deployment of enterprise information technology solutions that are resulting in reduced security risks, modernized business practices, and cost efficiencies.
- Continued unqualified audits with reduced time frames for year-end closeout and reduced material weaknesses.
- Development of asset inventory and performance measures to guide improved facilities management and prioritization of maintenance, repair, and replacement activities.
- Utilization of research and development criteria to guide decisionmaking and prioritization of research and development investments.

For 2007, a key component of Interior's budget is funding for pay increases and other nondiscretionary fixed cost increases for health benefits, workers and unemployment compensation payments, rent for leased space, and operation of centralized administrative and business systems. Increases for these costs, together with continued emphasis on management excellence and results, will allow the Interior Department to maintain basic services and dedicate continuing improvements in efficiency and effectiveness to service the public.

The budget includes \$125.9 million for nondiscretionary fixed cost increases. Of this total, two-thirds, or \$82.5 million, will cover 70 percent of anticipated 2007 pay raises. The budget assumes a January 2007 pay increase of 2.2 percent.

In addition to covering nondiscretionary fixed cost increases, the budget continues investments for tools to enable the Department's employees to do their jobs more efficiently and generate cost savings through implementation of standardized systems, including the Enterprise Service Network and the Financial and Business Management System.

The first phase of the Enterprise Services Network is complete, resulting in the creation of an integrated network backbone that supports telecommunications throughout the Department. During 2006, bureaus and offices will complete the transition to managed services and will operate on a single, consistent system that provides access to the internet, an intranet, and a network operations and security support center. Using ESN, secure telecommunications connections are in place for approximately 650 locations and efforts are underway to establish connectivity for smaller offices and remote locations.

The 2007 budget request includes an increase of \$2.4 million to fund the expanded telecommunications network. The budget also supports other enterprise information technology investments intended to strengthen security and improve the effectiveness of systems and applications, including \$1.0 million for active directory and \$2.1 million for migration to a common, Department-wide enterprise messaging system.

The 2007 budget continues funding for the Financial and Business Management System at \$22.2 million. In 2005, the Department successfully deployed a grants management module and much of the necessary infrastructure needed for future deployments, including system configuration, business process standardization, and interface development. Project managers, working in close collaboration with an executive steering committee comprised of bureau and office representatives, are drawing on the expertise and experience of other Federal and State agencies that have deployed financial and business management systems, are engaging a new system integrator, and are strengthening project management and oversight.

PROGRAMMATIC BUDGET HIGHLIGHTS

RESOURCE USE

Enhancing America's Energy Supply — The Department's energy programs play a critical role in providing access to domestic oil, gas, and other energy resources. To enhance domestic production, the 2007 budget proposes a \$43.2 million initiative to implement the Energy Policy Act of 2005 and continue progress on the President's National Energy Policy. In total, the budget includes \$467.5 million for the Department's energy programs. This amount includes funding for nondiscretionary fixed cost increases and is a net increase of \$43.5 million over 2006.

APD Processing — Through management improvements and increased funding, the Bureau of Land Management has made dramatic gains in its capacity to process applications for permits to drill, resulting in a significant increase in natural gas production from onshore public lands over the last few years. Historically high demand for APDs is expected to continue into 2007. In 2007, BLM anticipates receiving over 10,500 applications for permits to drill—twice the number received in 2003. To keep current with this workload, the 2007 budget proposes to spend \$42.4 million on APD processing. This includes approximately \$30 million in discretionary funding. It also includes mandatory funding from mineral leasing rentals provided by section 365 of the Energy Policy Act to address the surging workload in seven BLM pilot districts that currently handle about 70 percent of APDs. The discretionary amount includes an increase of \$4.3 million for the workload in non-pilot program districts, which is growing almost as fast as that in pilot districts.

In addition to funding for APD processing, the budget contains \$37.9 million in discretionary and mandatory funding for follow-on inspection and monitoring work to ensure that increased drilling and production is conducted in an environmentally responsible way. This includes an increase of \$5.0 million for inspection and monitoring in non-pilot districts.

The budget proposes to replace the mandatory funding provided by the Energy Policy Act with cost recovery from APD processing fees effective at the end of 2007. Legislation to be proposed by

SUMMARY OF MAJOR CHANGES (current budget authority in millions of dollars)

INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

2006 Enacted level	9,793.5
Fixed cost changes	+125.9
Energy	
BLM Energy Programs	+26.5
MMS Energy Programs	+11.3
Other Energy Programs	+5.7
Indian Trust	
Indian Land Consolidation	+25.4
Trust operations (net)	+4.7
Grants and Payments	
FWS Conservation Grant Programs	+14.2
Preserve America	+5.1
Save America's Treasures	-9.8
LWCF Stateside Grants	-27.9
PILT	-34.5
BLM	
Forestry	+3.0
Cultural Resources	+3.0
Range Improvement Fund	-10.0
Fire	
Suppression	+26.3
Rural fire assistance	-9.9
Hazardous fuels reduction projects	-10.0
USGS	
Landsat Data Continuity Mission	+16.0
Multi-Hazards Pilot Initiative	+2.2
Minerals Resources Program	-22.9
NPS	
Cyclic Maintenance	+10.0
Repair and Rehab	-10.0
Construction	-84.6
BIA	
Contract Support	+19.0
Law Enforcement	+4.5
Welfare Assistance	-11.0
Johnson-O'Malley Assistance Grants	-16.4
Education Construction	-49.3
Other	
Federal Land Acquisition	-12.4
FWS construction	-25.5
Net, all other program changes	-159.4
2007 Budget Request	9,602.6

ENERGY AND WATER DEVELOPMENT

2006 Enacted Level	1,054.8
Bureau of Reclamation	
Savage Rapids Dam	+11.5
Water 2025	+9.6
Safety of Dams	+7.7
Rural Water Supply	-14.4
Water Reclamation/Reuse	-15.5
Desert Terminal Lakes Rescission	-88.0
Net, all other program changes	-48.1
Central Utah Project	+6.1
2007 Budget Request	923.7
Total 2007 Budget Request	10,526.3

the Administration will allow a rulemaking to phase in full cost recovery for APDs, beginning with a fee amount that will generate an estimated \$20 million in 2008, fully replacing the amount provided by the Energy Policy Act.

Alaska North Slope — The 2007 energy initiative includes an increase of \$12.4 million for BLM energy management activities on the Alaska North Slope. The President's budget assumes that Congress will enact legislation during 2006 authorizing energy development in the Arctic National Wildlife Refuge. The additional funds will support the required environmental analyses and other preparatory work in advance of a first ANWR lease sale in 2008. The requested increase will also support BLM's leasing, inspection, and monitoring program in the National Petroleum Reserve-Alaska and BLM's participation in the North Slope Science Initiative authorized by the Energy Policy Act. In addition, a significant share of the \$12.4 million increase will be used by BLM to respond to the environmental threat posed by abandoned legacy wells and related infrastructure on the North Slope.

Outer Continental Shelf Development — As demonstrated by the impact of Hurricanes Katrina and Rita, domestic oil and gas production from deep water areas in the Gulf of Mexico is important to energy security. To keep pace with industry interest in OCS development, the 2007 proposal includes increases totaling \$2.1 million in MMS to support increased leasing activity and environmental monitoring.

New Innovations in Energy Development — In addition to promoting conventional oil and gas development, the Energy Policy Act encourages development of unconventional and renewable energy resources. The budget includes an increase of \$6.5 million for MMS's new responsibilities under the Act for offshore renewable energy development. In addition, for 2007, the budget proposes increases totaling \$3.8 million in BLM and the U.S. Geological Survey for oil shale development and a \$1.9 million package of increases for gas hydrate research and development by MMS, BLM, and USGS.

Water 2025 — The 2007 budget includes an increase of \$9.6 million for Water 2025, for a total funding level of \$14.5 million. In many basins in the West, water demands for people, cities, farms, and the environment exceed the available supply even in

normal, non-drought years. The goals of Water 2025 include increasing water supply certainty and flexibility, diversifying the water supply, and preventing crises through added environmental benefits in many western watersheds, rivers, and streams.

Increasing Timber Products — The BLM budget request includes a \$3.0 million increase in the Oregon and California Forest Management program to support the commitments of the settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*. The increase will result in an additional 20 million board feet of timber offered in 2008 and 2009, which are projected to generate \$6.5 million in additional timber receipts.

RESOURCE PROTECTION

Cooperative Conservation — Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and to benefit America's national parks, wildlife refuges, and other public lands. The 2007 budget includes \$322.3 million for the Department's cooperative conservation programs. These programs leverage limited Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

The Landowner Incentive and Private Stewardship programs are funded at a total of \$33.8 million, an increase of \$4.9 million from 2006. Through these programs, Interior employees work with States, Tribes, communities, and landowners themselves to provide incentives to conserve sensitive habitats, while maintaining the fabric of the local communities by continuing traditional land management practices such as farming and ranching.

Challenge cost share programs in the Fish and Wildlife Service, National Park Service, and BLM are funded at \$20.3 million. These cost share programs better enable the land management agencies to work together and with adjacent communities, landowners, and other citizens to achieve common conservation goals. The 2007 proposal represents an increase of \$1.8 million.

Level or increased funding is proposed for the North American Wetlands Conservation Fund, the Cooperative Endangered Species Conserva-

tion Fund, and State and Tribal Wildlife grants program. Within a \$7.2 million increase for State and Tribal Wildlife Grants, the budget includes \$5.0 million for a new competitive component of the program.

American Heritage and Preservation Partnership — The 2007 budget proposes to focus resources for historic preservation and heritage tourism programs within the Park Service as part of a unified \$32.2 million heritage and preservation partnership program under the Preserve America umbrella. Within this program, Preserve America grants are funded at \$10.0 million, an increase of \$5.0 million above 2006. Funding of \$7.4 million is proposed for national heritage areas, with the goal of transitioning these areas away from earmarked funding to competitively awarded grants. Save America's Treasures is funded at \$14.8 million. The combination of these programs will allow local communities to determine which strategies best suit their heritage preservation needs; apply to the most appropriate programs to conserve heritage resources and promote heritage tourism; and better and more efficiently coordinate cultural resource preservation.

Cultural Resource Protection — The BLM is the caretaker of perhaps the largest, most diverse, and most scientifically important body of heritage resources in North America. It is responsible for an estimated 4.5 million cultural properties, ranging from cliff dwellings to immense ground figures and rock alignments known as "intaglios" and abstract, realistic and anthropomorphic rock art renderings, abandoned military outposts, homesteads, "ghost towns," Indian and emigrant trails, and much more. With the approach of the 100th anniversary of the Antiquities Act of 1906 and the 40th anniversary of the National Historic Preservation Act of 1966, the 2007 proposal for BLM includes a \$3.0 million increase in the cultural resources program to improve the identification, protection, and interpretation of these unique resources.

National Fish Habitat Initiative — The 2007 budget includes \$3.0 million for the National Fish Habitat Initiative, an increase of \$2.0 million. This is a nationwide initiative that harnesses the energy and expertise of existing partnerships of State and Federal agencies and conservation organizations to focus national attention and resources on common priorities to improve aquatic habitat health. The funding increase will foster geographically focused, locally driven, and scientifically based

partnerships that will work together to protect, restore, and enhance aquatic habitats and reverse the decline of fish and aquatic species.

SERVING COMMUNITIES

Trust Programs — The budget provides \$536.7 million to continue the Department's on-going efforts to reform management of its fiduciary obligations to Tribes and individual Indians, to continue historical accounting efforts for trust funds, and to reduce the growing costs of maintaining a substantial number of fractionated interests of Indian lands.

Within this total, an increase of \$25.4 million will be used to acquire additional selected highly fractionated individual Indian land interests. In order to maximize the effectiveness of the Indian Land Consolidation Act program, the Department is transitioning to a new long-term strategy for acquisition of individual Indian interests. The strategy will use a tiered priority process to select which interests to acquire. As of March 2005, there are 2,173 highly fractionated tracts (tracts with 200 or more interests) owned by 98,905 individuals. A focus on these tracts will begin in 2006 and target 1,557 of these highly fractionated tracts. In an effort to reduce the cost of managing and operating the Federal purchase of fractionated lands, the Department plans to consult with Tribes to generate creative ideas on the future administration of this program.

Other trust increases include \$6.5 million that would streamline and strengthen efforts to provide cadastral surveys for Indian land transactions, \$3.0 million to continue efforts to address the backlog of unresolved probate cases, and \$2.0 million to provide for the Bureau of Indian Affairs technical assistance and grants to Tribes for Indian energy resource development.

Funding for historical accounting is proposed to remain level at \$56.4 million.

Strengthening Indian Self-Determination — The 2007 budget proposes a \$19.0 million increase for BIA to fully fund indirect costs for contracting Tribes, for a total funding level of \$151.6 million. A key factor in strengthening Indian self-determination and fostering strong and stable tribal governments is the Tribes' ability to contract or compact for BIA operated programs.

Improving Indian Education — The 2007 budget includes an increase of \$2.5 million for the Office of Indian Education Programs to support new leadership positions and realign the bureau education offices in the field and in headquarters to a more centrally coordinated organization. The streamlined organization will be responsible for implementing recently developed program improvement and accountability plans and will be accountable for student performance results. The budget also includes an increase of \$630,000 to provide education services to students temporarily detained in the 20 BIA funded juvenile detention centers.

To continue improvement of facility conditions at BIA schools, the budget includes \$157.4 million for education construction. This amount will complete funding for the Muckleshoot Tribal School in Washington and fully fund the Dennehotso Boarding School in Arizona, as well as four major facilities and repair projects. In order to focus on the 27 school replacement projects funded in previous years that are in the design phase or under construction, the education construction budget reflects a reduction of \$49.3 million from 2006.

Law Enforcement — The 2007 budget proposes an increase of \$2.7 million for law enforcement in Indian Country and \$1.8 million to staff newly constructed tribal detention centers. The budget also includes an increase of \$2.8 million to allow the U.S. Park Police to fully implement the recommendations from the force's comprehensive mission review and staffing plan.

Multi-Hazards Pilot — The assessment, monitoring, and prediction of geologic hazards are principal responsibilities of USGS. In response to a PART recommendation to better coordinate hazards investments across landslide, earthquake, and volcano activities, the 2007 budget proposes a pilot multi-hazards initiative aimed at merging information about different hazards into integrated products to support land-use planning, hazards mitigation, and emergency response. The pilot will be funded primarily by redirection of base resources, including resources from a workforce restructure in the geology program. An increase of \$2.2 million is proposed to enhance these resources.

Landsat Data Continuity Mission — For over 30 years, Landsat satellites have collected data about the Earth's land surfaces. These data are important for a variety of scientific, land management,

and commercial activities, including wildland fire management, detecting and monitoring invasive plant species in remote regions, assessing water volume in snow pack and large western aquifers, assessing the stewardship of Federal grazing lands, monitoring the land-use and land change in remote regions, global crop monitoring, and global mapping.

The two current satellites, Landsats 5 and 7, are beyond their designed periods of service and are suffering malfunctions. To replace these satellites, and to reduce or prevent a gap in landsat data, USGS and the National Aeronautics and Space Administration are partnering to build a new landsat satellite, Landsat 8, set to launch in 2010. The 2007 budget requests an increase of \$16.0 million for USGS to finish designing and begin building a ground system to acquire, process, archive, and distribute data from the new satellite. Once the satellite is launched, USGS will be responsible for its operation.

Streamgages — The USGS operates and maintains approximately 7,000 streamgages that provide long-term, accurate, and unbiased streamflow and water quality information that meets the needs of many diverse users. Streamflow information received from the gages helps to protect life and property from floods and manage water resources and the aquatic environment. The 2007 budget includes an increase of \$2.3 million, which will allow USGS to continue operations at high priority Federal interest sites identified in the National Streamflow Information Program Plan, as well as increase by 30 the number of streamgages reporting real-time data on the internet.

Payments in Lieu of Taxes — The PILT payments are made to local governments in lieu of tax payments for Federal lands within their boundaries. They supplement other Federal land receipts shared with local governments. The 2007 budget proposes \$198.0 million for these payments. The 2007 request is 58 to 90 percent higher than PILT payments made during the 1990s, but is a reduction of \$34.5 million from the record high 2006 payment level.

PROGRAM TERMINATIONS AND REDUCTIONS

As part of the President's effort to reduce the budget deficit by half over five years, the 2007 budget for the Department makes difficult choices

to terminate or reduce funding for programs that are less central to the Department's core missions, have ambiguous goals, duplicate activities of other agencies, or require a lower level of effort because key goals have been achieved. Terminations and reductions include lower priority and one-time earmarks enacted in 2006. Other terminations and reductions include the following:

LWCF State Grants — The 2007 budget reiterates a proposal to terminate funding for Land and Water Conservation Fund State grants, a reduction of \$27.9 million from the 2006 level. Paying for improvements to State and local parks is a decision better left to State and local taxpayers rather than to Federal taxpayers. The 2007 budget does continue funding for the administrative portion of the grant program at \$1.6 million, which will be used to review the accountability and performance of grants provided in previous years.

Rural Fire Assistance — The 2007 budget for Wildland Fire Management continues partnerships with local fire departments. Interior fire agencies will continue efforts begun in 2006 to use \$1.9 million in preparedness funding to provide training and personal equipment to local firefighters to help build a ready-reserve of local firefighters that can support initial and extended attack on large fires and thereby improve the effectiveness of Federal cooperation with local firefighting agencies.

The \$9.9 million rural fire assistance program is proposed for elimination as a separate funding source in anticipation that the types of equipment and basic training needs it provides to local fire departments will be met through the much larger Forest Service and Department of Homeland Security fire assistance programs. The Interior Department recently updated an existing agreement with the Department of Homeland Security that will ensure a greater role for the wildland fire agencies in reviewing and issuing grants to States through programs DHS administers.

USGS Minerals Resources Program — The budget reduces the USGS Minerals Resources program by \$22.9 million. The budget continues funding for minerals surveys and studies that are relevant to ongoing Federal energy, land management, regulatory, and remediation activities. Funding is reduced for studies and information gathering for regional and local activities that are more oriented to the interests of States, local governments, and universities, all of whom are significant users of information

generated by the Minerals Resources program.

Johnson-O'Malley — The budget proposes to eliminate the \$16.4 million Johnson-O'Malley grant program. These grants, identified in the Tribal Priority Allocations of some Tribes, are distributed by the Tribes to address Indian student needs in local public schools. The grants duplicate similar funding made available by other Federal and State assistance programs. The Department of Education, for example, provided \$115.9 million in 2006 to public schools on or near Indian reservations. In addition, JOM grants do not address a focused goal for academic achievement, and lack a means to measure and report on its impact to student performance. Eliminating JOM grants allows BIA to strengthen its commitment to the BIA school system and avoid redundant Federal programs.

NPS Statutory and Contractual Aid — The budget does not continue funding for \$7.0 million in Statutory and Contractual Aid activities that are secondary to the primary mission of the Park Service.

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The budget proposes \$975.7 million for BLM's two operating accounts, an increase of \$19.6 million over the 2006 enacted level.

In addition to the major program changes discussed above, the budget request includes an additional \$29.7 million in reductions and savings in BLM's operating accounts. This includes a net savings of \$8.4 million that BLM will achieve in information technology funding through such measures as foregoing upgrades on systems that are targeted for replacement. A savings of \$2.5 million will be achieved by reducing program management and administration costs. The budget also proposes to partially reduce the 2006 funding increase for the Alaska Conveyance program by \$5.0 million to fund the program at a more sustainable level commensurate with BLM's many competing priorities. Reductions totaling \$10.0 million are made possible by eliminating funding for one-time earmarks.

The BLM budget includes a net increase of \$146,000 for land acquisition and a reduction of \$5.3 million for construction.

MINERALS MANAGEMENT SERVICE

The request for MMS direct appropriations is \$163.6 million. Collections from OCS rents and other fee sources will provide \$128.7 million, for a total of \$292.3 million for MMS operations. This is a net increase of \$11.3 million over the 2006 enacted level.

The 2007 MMS budget proposes \$8.4 million to implement Energy Policy Act requirements, including the OCS alternative energy use program and the methane hydrates initiative discussed above, and \$750,000 for automated, credit-related system modifications. In addition to the \$2.1 million for OCS operations discussed earlier, the budget provides \$1.5 million for OCS lease sale environmental impact statements to be conducted in 2007. The budget also includes a \$842,000 increase to implement the Indian oil valuation rule.

The 2007 budget assumes \$6.0 million in additional offsetting collections generated from the full collection of the user fees proposed in the 2006 budget, which allows a corresponding \$6.0 million reduction to appropriated funds. The budget includes a program decrease of \$3.1 million in previously appropriated indirect royalty-in-kind costs now funded through revenue receipts.

OFFICE OF SURFACE MINING

The OSM 2007 budget requests \$298.1 million, an increase of \$4.0 million over the 2006 enacted level, and will allow OSM to continue its commitment to environmental restoration while protecting the public by reclaiming lands disturbed by pre-Surface Mining Control and Reclamation Act mining.

The 2007 Abandoned Mine Land budget is \$185.9 million, a \$688,000 increase over the 2006 enacted level for nondiscretionary fixed costs increases. This funding will support OSM AML reclamation activities, which include State and tribal reclamation grants and high priority Federal reclamation efforts, and will result in the reclamation of 6,900 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality, removing an estimated 11,000 people from risk. The Administration will continue to work with Congress to secure enactment of the fiscally responsible and fair AML reauthorization legislation. Details of the Administration's proposal are included in the discussion of 2007 mandatory proposals below.

The 2007 budget for the Regulation and Technology account is \$112.2 million, a \$3.3 million increase over the 2006 enacted level that includes an increase of \$2.0 million for State regulatory grants. This increase is based on the need to fund program and fixed cost increases for the State regulatory programs. Grants of up to 50 percent of the administrative expense the Federal government would incur in regulating coal mining are awarded to States with approved regulatory programs. If a State were to relinquish primacy, the cost to the Federal government would be significantly higher.

BUREAU OF RECLAMATION

The 2007 Reclamation budget requests \$883.6 million in current appropriations, including the \$14.5 million for Water 2025 discussed above. This is a program decrease of \$45.2 million. The request is further reduced by the proposed cancellation of \$88.0 million in unobligated balances for the At Risk Desert Terminal Lakes program.

The budget emphasizes Reclamation's core mission of delivering water and power, with a focus on ensuring facility integrity, site security, and working smarter to efficiently manage the West's limited water supplies. Consistent with 2006 congressional action, under-financing (undistributed reductions in anticipation of delays in construction schedules and other planned activities) is eliminated in the 2007 budget.

A total of \$69.0 million is requested for the Safety of Dams program, an increase of \$7.7 million. The funding includes \$49.2 million to initiate safety-of-dams corrective actions and \$18.3 million for safety evaluations of existing dams.

The request for the Central Valley Project is \$120.2 million, a decrease of \$7.9 million. A total of \$27.2 million is requested for the Central Arizona Project, an increase of \$5.1 million to address a revised funding and work schedule for the Indian Distribution Division and enable Reclamation to meet requirements of the Arizona Water Rights Settlement Act.

A total of \$39.6 million, the same as 2006 enacted, is requested for site security to continue all aspects of Reclamation-wide security efforts, including law enforcement, risk and threat analysis, implementing security measures, and guards and patrols. The 2007 budget assumes that annual costs associated with guard and patrol activities will be treated as

project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

The budget includes \$57.4 million for the Animas La Plata project to continue implementation of the Colorado Ute Settlement Act. This increase of \$2.0 million will help mitigate inflation associated with steel, cement, and fuel.

The budget funds rural water supply projects at \$68.7 million, \$14.4 million below the 2006 enacted level to focus on projects in construction. Funding is requested for the Mni Wiconi, Garrison, Fort Peck, and Lewis and Clark projects.

The budget requests \$38.6 million for California Bay-Delta Restoration pursuant to the 2004 authorization act for this water management, ecosystem restoration, water quality, water supply, and flood protection program. This adaptive management program in California's Central Valley and San Francisco Bay-Delta is proactively addressing conflicts over water supply and quality, ecosystem restoration, and levee system integrity.

U.S. GEOLOGICAL SURVEY

The 2007 USGS budget request is \$944.8 million, \$20.6 million below the 2006 enacted level. The 2007 budget continues to focus research on the highest research priorities of today, while ensuring that USGS builds the expertise its needs to continue answering the complex research questions that arise tomorrow. The budget adds \$40.1 million in new programs and fixed cost funding, which is offset by redirecting \$50.7 million from lower priority activities and eliminating \$10.0 million in earmarked funding.

In addition to the increases discussed above for Landsat 8, the multi-hazards pilot, streamgages, and energy research, the budget includes an increase of \$1.0 million for the preservation of geologic and geophysical energy data and \$1.0 million to support the activities of the NatureServe system.

Reductions include a decrease of \$22.9 million in the Minerals Research program. The expertise exists at both State and university levels to take on this work, making it less of a priority for USGS to do under current and foreseeable budget constraints. Funding of \$6.4 million for the Water Resources Research Institutes is proposed for elimination because most institutes successfully generate funding from non-USGS sources and can be self-supporting.

FISH AND WILDLIFE SERVICE

The 2007 FWS budget proposes \$1.3 billion, a decrease of \$23.5 million compared to the 2006 level excluding the hurricane supplemental.

The request for Resource Management, the principal operating account, is \$995.6 million, a net decrease of \$5.8 million. Included within this request are programmatic increases of \$1.4 million for fish passage improvements, \$2.0 million for the National Fish Habitat Initiative discussed above, and \$1.5 million for migratory bird conservation and monitoring. The budget also proposes programmatic increases in the Resource Management account of \$4.3 million for the refuge system challenge cost share program, and \$1.0 million for the Migratory Bird Joint Ventures program. Increases in the Resource Management account are offset by reductions of one-time or lower priority items.

To support conservation partnerships, the budget proposes increases for FWS cooperative grant programs, including \$2.7 million for Landowner Incentive Program grants, \$2.1 million for Private Stewardship grants, \$7.2 million for the State and Tribal Wildlife grants program, and \$2.2 million for the North American Wetlands Conservation Fund. Funding for the Cooperative Endangered Species Conservation Fund is level at \$80.0 million.

The land acquisition request is \$27.1 million, a \$1.0 million programmatic decrease compared to 2006. The budget includes \$3.5 million for land acquisition in the Upper Klamath Basin to enhance water quality and restore habitat for the endangered Lost River and shortnose suckers, as well as anadromous fish populations downstream of Upper Klamath Lake.

The budget also includes \$2.0 million for implementing the Highlands Conservation Act through land conservation partnership projects in Connecticut, New Jersey, New York, and Pennsylvania.

A reduction of \$25.5 million is proposed for the Construction account.

NATIONAL PARK SERVICE

The NPS budget request is \$2.2 billion, a decrease of \$100.5 million below the 2006 enacted level, excluding the emergency supplemental. The request includes increases for the operation of the national park system and the U.S. Park Police. The overall

decrease for NPS reflects a capital asset plan focused on maintaining the current NPS facilities, a consolidated heritage and historic preservation program, termination of the State LWCF grants, and elimination of funding for statutory and contractual aid projects.

For the Operation of the National Park System account, the 2007 budget request seeks \$1.7 billion. The budget request maintains the funding levels provided in the 2006 appropriation, which included a net increase of \$24.8 million in recurring park base funding. With increases for fixed costs, the budget will provide \$1.1 billion in park base funding. The ONPS account also includes an increase of \$10.0 million for cyclic maintenance of NPS facilities and an increase of \$2.4 million for the development of air tour management plans in coordination with the Federal Aviation Administration.

The Historic Preservation Fund request is \$71.9 million, including \$32.2 million for the American Heritage and Preservation Partnership initiative discussed earlier and \$39.7 million for historic preservation grants-in-aid to States, Territories, and Tribes.

The National Recreation and Preservation appropriation is reduced by \$20.9 million. As discussed earlier, this reflects reductions in Statutory and Contractual Aid. Heritage areas are funded within the Historic Preservation Fund.

Beginning with the 2002 budget, the Administration has invested nearly \$4.7 billion and undertaken nearly 6,000 facility improvements within the national parks, resulting in improved roads and trails, rehabilitated visitor centers, more accessible campgrounds, stabilized historic structures, and visitor satisfaction rates that are high.

The Department's 2007 budget continues to support the implementation of the NPS asset management program. Total construction and maintenance funding is \$622.8 million in 2007, a decrease of \$80.6 million from 2006. This reflects a return to sustainable funding levels after the completion last year of a five-year surge in funding. The budget request focuses on protecting and maintaining existing assets rather than funding new construction projects.

The 2007 request provides \$22.7 million in new appropriations for Federal land acquisition.

BUREAU OF INDIAN AFFAIRS

The 2007 BIA budget request is \$2.2 billion, a net decrease of \$52.4 million below the 2006 appropriation level.

In addition to the increases for contract support, education, law enforcement, and trust programs discussed above, the budget includes increases of \$2.0 million for Energy Resource Development grants to assist Tribes with the preparation of feasibility studies and due diligence business plans for energy development projects; \$4.2 million for GSA and direct rentals; and \$500,000 for the Office of Federal Acknowledgement.

The budget includes programmatic reductions due to the elimination of one-time projects, lack of performance accountability, duplication of other Federal or State programs, and the implementation of management efficiencies. In addition to those discussed earlier, these reductions include \$11.0 million for welfare assistance; \$824,000 for tribal college universities endowment grants; \$1.1 million for community fire protection; \$2.6 million for road maintenance; and \$1.9 million for water management and planning.

The 2007 budget for BIA Indian Land and Water Claim Settlements includes \$23.0 million for two new settlements. The budget includes \$14.8 million for Snake River Water Rights settlement, the first payment of the \$95.8 million BIA portion of the settlement proposed to be paid out over seven years.

The BIA budget also includes \$7.5 million for the first of two payments for Rocky Boy's Water Systems Operation, Maintenance, and Replacement Trust Fund. The total authorization for the trust fund is \$15.0 million. There is an increase in the amount required for the Cherokee, Choctaw, and Chickasaw water settlement so that it may be completed in 2007. Reductions for the Colorado Ute and Zuni settlements, which were completed in 2006, and the Quinault Indian Nation settlement, which was almost completed in 2006, offset increased funding.

OFFICE OF THE SPECIAL TRUSTEE

The 2007 budget proposal is \$244.5 million, an increase of \$21.7 million, or 9.7 percent above the 2006 enacted level.

In addition to major funding increases for trust-related activities discussed earlier, the 2007 budget includes a \$4.9 million reduction as a result of initial implementation of the Fiduciary Trust Model reflecting efficiencies and improvements in services to beneficiaries, completion of project task efforts, or management efficiencies.

DEPARTMENTAL MANAGEMENT

The budget for Departmental Management is \$326.8 million, including the \$198.0 million for PILT discussed above. The budget includes \$118.8 million for Salaries and Expenses, a net reduction of \$11.4 million below the 2006 enacted funding level. Included within this request are reductions in one-time projects of \$14.8 million; increases for fixed costs, cost increases in acquired services, and externally-driven cost increases such as accounting and postage; and \$527,700 to increase the emergency preparedness and response capabilities and for a new hearings process for hydropower relicensing required by the Energy Policy Act of 2005.

The budget proposes \$9.9 million for the Central Hazardous Materials Fund, which includes funding for fixed costs and \$191,000 to develop an environmental management information system.

OFFICE OF INSULAR AFFAIRS

The OIA 2007 budget is \$79.2 million in current funding, a \$2.3 million decrease from the 2006 enacted level that reflects a reduction of earmarked increases. The proposal retains the \$500,000 increase provided in 2006 to strengthen the oversight of grants associated with the Compact of Free Association and adds an additional \$95,000 for this purpose.

Permanent appropriations for OIA in 2007 total \$347.1 million, which includes \$202.4 million in Compact of Free Association payments and \$144.7 million in payments to Guam and the Virgin Islands.

OFFICE OF THE SOLICITOR

The Solicitor's 2007 budget request is \$56.8 million, an increase of \$2.1 million over 2006. The increase includes a program increase of \$57,000 for Working Capital Fund program changes, and a program decrease of \$272,000 for one-time information technology increases in the 2006 budget. The request seeks \$2.3 million for fixed costs.

OFFICE OF INSPECTOR GENERAL

The 2007 budget request for the OIG is \$40.7 million, an increase of \$2.2 million over 2006. The budget proposes a \$1.0 million increase for program reviews and assessments, benchmarking and best practices, security clearances, computer equipment and software, and program and technical training. This includes program increases of \$721,000 for audits and \$290,000 for administrative services and information management. The request seeks \$1.1 million for fixed costs.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

The 2007 budget request is \$6.1 million, an increase of \$93,000 over 2006. The increase for fixed costs is \$93,000. The program will continue the restoration of hundreds of acres of lands and resources injured by the release of hazardous substances or oil. The program will use enhanced science support to improve and expedite the design, implementation, and monitoring of restoration projects.

MANDATORY PROPOSALS

The 2007 budget is accompanied by several legislative proposals that affect receipt or spending levels in 2007 or in future years. These proposals will be transmitted separately from the budget for consideration by Congressional authorizing committees. The principal proposals include:

ANWR—The President's National Energy Policy aims to improve America's energy security by increasing domestic production of fossil fuels, stimulating the development of alternative energy sources, and promoting greater energy conservation. The coastal plain in Alaska is this Nation's single greatest onshore prospect for future oil and, based on USGS estimates, could sustain daily production greater than the current daily onshore production in any other State. In support of the National Energy Policy, the 2007 budget assumes enactment of a legislative proposal to open the Section 1002 area of the coastal plain in the Arctic National Wildlife Refuge to oil and gas exploration and development. The U.S. Treasury would receive an estimated \$7.0 billion from the first lease sale, which would be conducted in 2008.

BLM Range Improvement—The budget for BLM proposes to discontinue mandatory appropria-

tions from the Range Improvement Fund totaling \$10.0 million annually. Instead, revenues will be deposited to the U.S. Treasury. The BLM's new grazing rule will allow permittees to share title to range improvements. Therefore, permittees should be able to bear more of the cost of these improvements in the future.

Federal Lands Transaction Facilitation Act—The Federal Lands Transaction Facilitation Act authorizes the sale of BLM lands that have been classified as suitable for disposal under resource management plans in place at the time the Act was passed and allows the Department to retain the proceeds from such sales to cover the administrative costs of those sales and to acquire other high-value non-Federal lands within specially-designated areas such as national parks, refuges, and monuments. The 2007 budget proposes to amend FLTFA to allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from these sales to the U.S. Treasury; and cap Interior receipt retention at \$60.0 million per year.

Abandoned Mine Lands—The 2007 OSM budget provides \$145.4 million in AML grants to States and Tribes. The OSM fee collection authority will expire on June 30, 2006. The budget proposes an interim extension of OSM's fee collection authority until September 30, 2007. This authority will allow continued reclamation activities under current law and will allow more time to work with Congress to develop fiscally responsible and fair reauthori-

zation legislation. Pending enactment of specific reform legislation, the budget does not propose new funding for payments to certified States. In addition, under the funding formulas in the 1977 Act, AML funding is increasingly directed to States with significant current coal production, but few if any abandoned mines. The Administration's approach would direct new AML funding to reclamation of unhealthy and unsafe abandoned mines and provide for repayment to States that have completed mine reclamation of their statutory share of AML fees collected under the 1977 law.

Pick-Sloan Project—The budget proposes to re-allocate repayment of capital costs of the Pick-Sloan Missouri Basin program. Power customers would be responsible for repayment of all construction from which they benefit, whereas to date they have only been responsible for a portion of the costs. This change would increase reimbursements from power customers by \$23.0 million in 2007. Rate increases for power customers could be phased in over time.

RECEIPTS

The Department projects that it will collect \$17.0 billion in receipts in 2007. This is an increase of \$99.4 million from estimated 2006 receipts, primarily due to increased OCS royalties.

The largest share of receipts collected by the Department of the Interior, \$9.5 billion, goes to the general fund of the U.S. Treasury

DEPARTMENT OF THE INTERIOR FACTS

Land – Interior manages more than 500 million acres or about one-fifth of the land area of the United States and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.76 billion acres of the Outer Continental Shelf.

Parks, Refuges, Public Lands – Interior manages 388 units of the national park system, 545 national wildlife refuges, 69 national fish hatcheries and one historic hatchery, as well as 17 national conservation areas and 15 national monuments in BLM's national landscape conservation system.

People – Interior has over 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and freely associated States.

Volunteers – Interior benefits from 200,000 volunteers who provide over nine million hours of service, valued at over \$153.0 million per year.

Conservation – 208,000 acres of high priority abandoned mine lands have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,831 endangered and threatened species, 1,268 of which are in the United States.

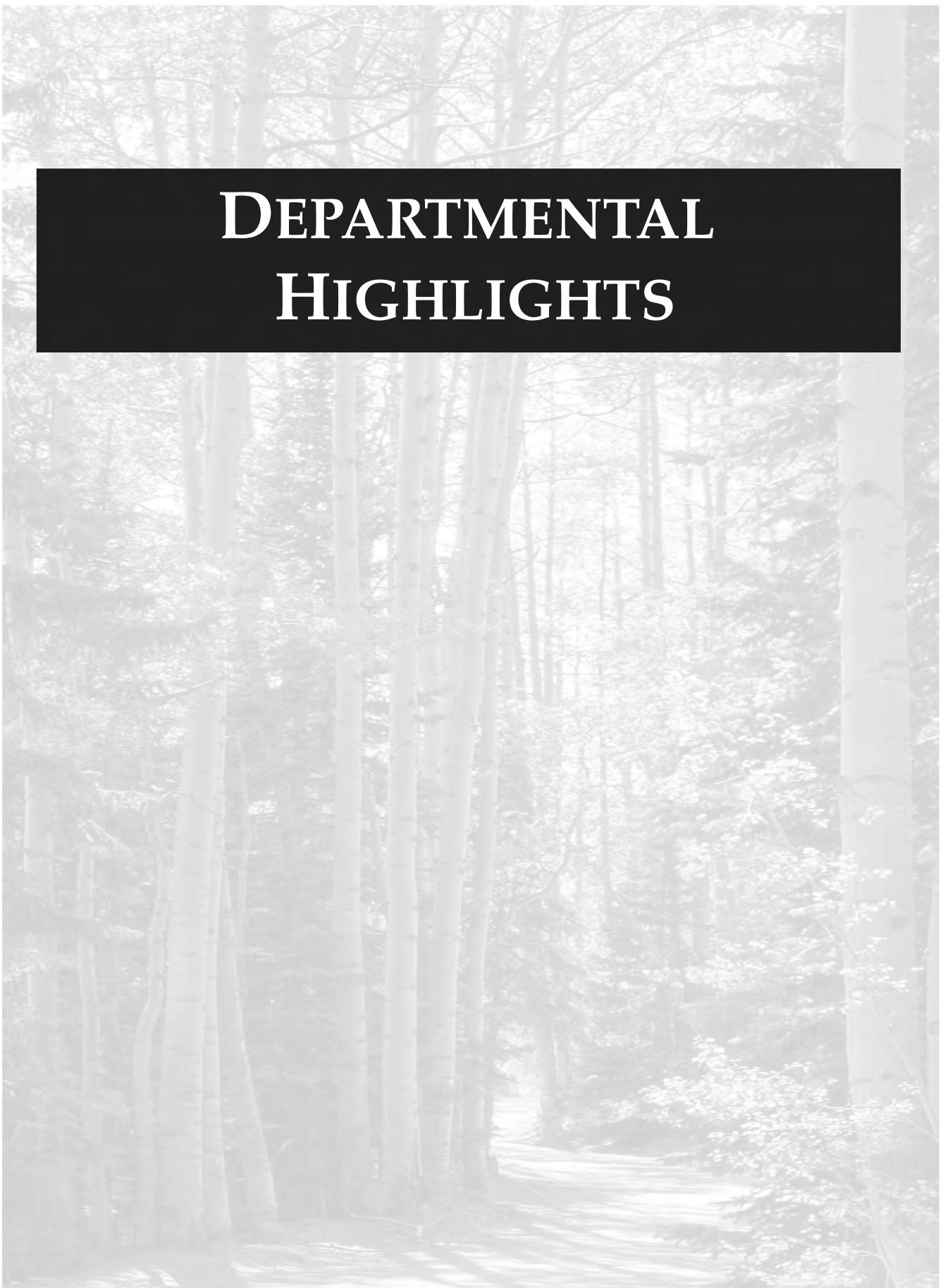
Revenues – Interior's estimated revenue collections in 2007 are \$17.0 billion, including revenues from energy, minerals, grazing, timber, land sales, and other revenue producing activities.

Water – The Department is the largest supplier and manager of water in the 17 western States. The Bureau of Reclamation manages 472 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers, irrigating 10 million acres of farmland.

Energy – Interior manages lands, subsurface rights, and offshore areas that produce approximately 30 percent of the Nation's energy, including 35 percent of natural gas and oil, 43 percent of coal, 17 percent of hydropower, and 50 percent of geothermal.

Visitation – Annually more than 58 million visits are made to BLM public lands, 273 million visits to national park units, 40 million visits to national wildlife refuges, and 90 million visits to 308 Reclamation recreation sites.

American Indians – The Department maintains relationships with 561 federally recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of more than 1.6 million people. The BIA provides education services to nearly 48,000 students in 23 States attending 184 elementary and secondary schools and dormitories and supports 24 tribally controlled community colleges, universities, and post-secondary schools. There are 22 BIA directly operated detention centers and 201 BIA funded law enforcement programs.



DEPARTMENTAL HIGHLIGHTS



Resource Protection

Ultimately, the people who are best able to take care of the land are those who live on the land, work on the land, and love the land. They have the knowledge, skills, and motivation to care for the land. We need to empower them.

Secretary Gale A. Norton, August 15, 2005

As steward of one-fifth of this Nation's lands, the Department of the Interior conserves, protects, and restores awesome natural, cultural, and historic treasures. The Department partners with landowners, Tribes, States, conservation groups, and others to conserve and preserve natural and cultural resources; to solve land management and water disputes; and to strengthen on-the-ground conservation results. This commitment translates into a wide variety of activities that benefit all Americans. These efforts include:

- Managing, through the Bureau of Land Management, 261 million acres of culturally rich public lands and sustaining the health, diversity, and productivity of those lands for the use and enjoyment of present and future generations.
- Managing the Nation's unique collection of national park units to protect our heritage for the enjoyment of present and future generations. Through park management, visitors experience historic and cultural symbols of America such as the Statue of Liberty, Independence Hall, and the Washington Monument.
- Fostering conditions that allow plants and wildlife to flourish alongside human activity, including hunting and fishing. Fish and Wildlife Service employees work with States and private individuals to preserve habitat, conserve species, and prevent their decline while maintaining healthy communities and a dynamic economy that depends on the Nation's lands and waters.

Successful management of the Nation's public lands, waters, wildlife, and special places increasingly depends upon collaboration and partnerships among Interior agencies, with other Federal, State, and tribal entities, and, most importantly, with the citizens who share these lands and resources.

The Department's resource protection programs extend beyond land management and regulatory programs to include grants and technical assistance to landowners. These programs enhance community involvement and citizen engagement through cooperative projects among our agencies, volunteers, and local watershed groups in stream restoration; with farmers and ranchers to restore native grasslands; and with Tribes and States to protect threatened and endangered species.

RESOURCE PROTECTION MISSION

Protect the Nation's natural, cultural, and heritage resources

The 2007 budget proposes \$2.6 billion for resource protection activities that improve the health of natural landscapes, sustain biological communities, and protect cultural and heritage resources. The budget will:

- Improve the health of the Nation's lands and watersheds through cooperative conservation and private stewardship.
- Protect significant natural and cultural resources on public lands for future generations to come.
- Help local communities find self-sustaining ways to manage historic properties and promote heritage tourism.
- Sustain biological communities by improving habitat conditions, measuring the condition of natural resources, and improving the ability of Interior agencies and partners to detect, respond to, and control invasive species.
- Address serious resource and life-threatening hazards resulting from abandoned mine lands.



COOPERATIVE CONSERVATION

At field locations throughout the country, bureau employees and volunteers are learning by doing, working side-by-side with neighbors, and tapping into best practices from others working on similar issues. By working with local communities, Interior employees benefit from local knowledge, ideas, and assistance to achieve conservation results that can transcend jurisdictional boundaries. At the national level, conservation partnerships leverage resources, broaden our knowledge base, and help

coordinate actions to achieve our strategic goals for resource protection, resource use, recreation, and serving communities.

Natural landscapes and ecosystems transcend human-constructed boundaries. Cooperative conservation offers a way to keep intact a medley of land ownerships, achieving conservation through partnerships. Sometimes, these partnerships involve single projects that have a beginning and an end. But, increasingly, they are more complex, bringing together scientific expertise, local insights and knowledge of land, and caring hands to develop long-term solutions to conserve land and protect the environment.

For example, over 70 percent of Oregon's population resides in the Willamette Valley, and over 95 percent of the Valley is in private ownership. In this same area, over 95 percent of native habitats (upland and wet prairies) have been lost to development, degraded, or converted to agriculture, resulting in 17 federally-listed species and over 50 species of concern. By 2050, the human population in the Valley is expected to nearly double to four million.

Efforts to recover, delist, and preclude the need to list species must start with stabilizing the threatened habitats upon which these species depend. In the past two years, over \$3.8 million of FWS funds have leveraged over \$11.2 million in non-Federal funds to produce partnerships for on-the-ground recovery actions in the Willamette Valley for the federally-listed Columbian white-tailed deer and six other listed species. These actions include habitat restoration, reintroduction of species, invasive species control, species surveys, and habitat assessments.



From 2002 through 2006, Interior's conservation partnership programs have provided \$2.1 billion for conservation investments. The 2007 budget request includes \$322.3 million to support continued partnership success through a suite of grant and technical assistance programs.



White House Conference on Cooperative Conservation – In August 2004, President Bush signed Executive Order 13352, Facilitation of Cooperative Conservation. This order directed the Chairman of the White House Council on Environmental Quality to convene a White House Conference on Cooperative Conservation. The Departments of the Interior, Agriculture, Commerce, and Defense, and the Environmental Protection Agency co-hosted the event.

On August 29-31, 2005, representatives from the public and private sectors convened in St. Louis, Missouri to discuss the advancement of this cooperative conservation vision. The conference emphasized the need to create a culture of responsibility to enhance opportunities for citizen stewards to work together.

The Department is enhancing cooperative conservation by improving its partnering efforts and developing and utilizing governing tools that inspire and complement citizen stewardship and environmental entrepreneurship. The Department is dedicated to generating and sharing scientific and other information that can inform conservation and land management decisions.

Conservation Grants — The FWS administers a variety of natural resource assistance grants to governmental, public and private organizations, groups, and individuals. In general, these grants focus funding on at-risk species and their habitats. For example, the Landowner Incentive program

provides grants to States, Territories, and Tribes for projects that enhance, protect, or restore habitats that benefit federally-listed, proposed, or candidate species, or other at-risk species on private lands. The 2007 request for this program is \$24.4 million, an increase of \$2.7 million over 2006. The Department is also proposing \$9.4 million for Private Stewardship grants, which provide assistance directly to individuals and groups to undertake conservation projects on private lands for endangered, threatened, and other at-risk species.

The State and Tribal Wildlife Grants program will provide \$74.7 million to State, tribal, and territorial fish and wildlife agencies to stabilize, restore, enhance, and protect species of concern and their habitats. This is an increase of \$7.2 million, of which \$5.0 million would be for competitive grants for exemplary cooperative conservation projects. In 2005, wildlife agencies from all 50 States and six U.S. Territories submitted wildlife action plans for approval by FWS, establishing a nationwide blueprint to conserve imperiled species so they do not become threatened or endangered.

When approved, the wildlife action plans will be the first of their kind — a thorough State-by-State assessment of wildlife and the actions needed to ensure their survival. The action plans establish a coordinated strategy for wildlife agencies to conserve all wildlife species. In the past, most of the States and Territories have had great success in managing game species. This program will help fund expansion of their conservation work to include all wildlife species and their habitats. The action plans also will allow States and Territories to continue to receive grants through the State Wildlife Grant program.

As in 2006, Interior requests \$80.0 million for the Cooperative Endangered Species Conservation Fund. The 2007 budget proposal funds \$10.0 million for grants to States that promote species conservation and recovery, \$54.8 million for acquisitions in support of recovery habitat conservation plans, and \$7.6 million to assist States in completing habitat conservation plans and related acquisitions. To fulfill obligations under the Snake River Water Rights Act of 2004, \$5.1 million will be provided

Through State Wildlife Grants, we are empowering States, Territories, and their many partners to do what the Federal government cannot do alone. The grant program is now our Nation's primary conservation program for keeping species healthy and off the list of threatened and endangered species.

Secretary Gale A. Norton, November 2, 2005

CHALLENGE COST SHARE PROJECTS

Minnesota—The National Park Service in partnership with the U.S. Army Corps of Engineers; City of Brooklyn Center, MN; Minnesota Department of Natural Resources; Great River Greening; Shingle Creek Watershed Management Organization; and private landowners restored a highly disturbed 850-foot stretch of riverbank within the Mississippi National River and Recreation Area. This dynamic group of Federal and local partners used bioengineering and native planting techniques to restore the site and demonstrate a more natural approach to riverbank stabilization along the Mississippi River, as opposed to the traditional riprap method. Close to 4,500 native trees, shrubs, and plants were installed with the help of volunteers to control invasive species and prevent the recurrence of erosion along this disturbed stretch of river. The Federal investment of \$610,000 was matched by the local partners for a total of nearly \$1.9 million.

Colorado—The BLM, in partnership with the Upper Arkansas River Partnership, has worked to implement the Arkansas River Recreation Management Plan, a management plan for recreation activities along 150 miles of the Arkansas River, including 24 developed recreation sites. Children and adults benefited from interpretive and education programs through this project. The Federal investment of \$36,000 was matched by local partners for a total of \$1.4 million; a matching ratio of approximately 38:1.

Massachusetts—Great Meadows National Wildlife Refuge, in partnership with volunteers from the Carlisle Trails Committee, recently celebrated two days of successful footbridge construction at Great Meadows National Wildlife Refuge, Massachusetts.

The construction of the Foss Trail, pictured here, was supported by the Town of Carlisle Department of Public Works and volunteers ranging from ages five to 77. The volunteers donated more than 650 hours to planning and construction in addition to the 40 hours per year the volunteers contribute to clearing fallen trees and trimming brush along the trail. As a result, area residents and visitors have a wonderful trail to enjoy, and the fragile wetland vegetation is protected year round. The Federal investment of \$3,000 was matched by the local partners for a total of \$8,000.



from the Fund to the State of Idaho for the Idaho Salmon and Clearwater Basin Habitat account.

Challenge Cost Share Programs — In 2002, the Department proposed an expansion of its successful challenge cost share program to provide land managers with additional funds for conservation partnership projects. Since then, over \$131 million has been allocated to fund partnership projects

throughout the country. These funds are matched, often more than doubling the Federal investment. In 2005, these funds supported 831 projects in 45 States with 1,372 partners. The 2007 budget includes \$20.3 million for challenge cost share grants, an increase of \$1.8 million above the 2006 enacted level.

In 2007, the Department proposes combining traditional and conservation challenge cost share pro-

grams to give resource managers greater flexibility to address the highest priority needs at individual sites, while promoting cooperative conservation with local partners. The 2007 increase will foster the accomplishment of additional cooperative conservation projects.

FWS Migratory Bird Joint Ventures — North American Waterfowl Management Plan Joint Ventures are regionally based, self-directed partnerships that carry out science-based conservation through community efforts. Joint venture partnerships provide a model for cooperative conservation for the 21st century. Since 1986, these partnerships have protected, restored, or enhanced more than nine million acres of wetlands and associated uplands for waterfowl and other bird species. Much of the program's remarkable success springs from its cooperative conservation approach, through which Federal agencies partner with States, non-profit groups, private citizens,

and universities to pursue shared goals to restore wildlife and habitat.

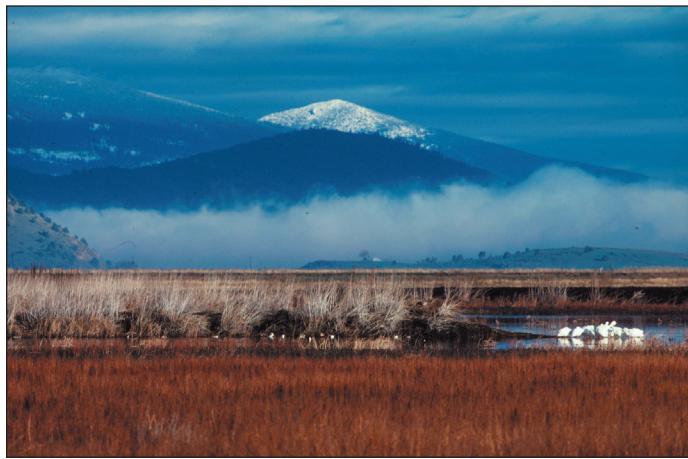
The 2007 budget request of \$11.8 million includes an increase of \$1.0 million for joint ventures to fund four additional joint ventures, resulting in a 1.1 million acre increase in the number of acres of landscapes and watersheds managed through partnerships and networked lands. It will also provide additional funding for the Central Hardwoods and Northern Great Plains joint ventures initiated in 2006, and provide funds to expand biological planning in established joint ventures.

FWS Coastal Program — The budget includes \$13.0 million for the Coastal program. It provides an increase of \$604,000 for general program activities to address the growing demand for habitat conservation activities for the FWS trust species through new agreements with private landowners, communities, non-governmental organizations,

KLAMATH

The budget includes \$63.6 million for Klamath Basin restoration activities, a \$9.0 million increase over 2006. Through the Partners for Fish and Wildlife program, FWS partners with local landowners, conservation organizations, and other Federal entities in the Upper Klamath Basin to restore stream channel and riparian habitat for species such as bull trout and Oregon spotted frogs, as well as restoring lakeshore wetlands for Lost River and shortnose suckers. The 2007 budget also includes \$3.5 million to acquire and restore agricultural lands adjacent to Upper Klamath Lake. Restoration of this property will provide quality habitat for larval and juvenile suckers and a host of native waterbirds. It will also improve water quality for the lake and downstream anadromous fish and increase water storage in the lake.

In 2007, the Partners program will also initiate a new \$2.0 million Lower Klamath Basin initiative. Funding for Lower Klamath Basin restoration would be used to provide fish passage on tributaries; fencing for riparian areas along streams; assessment and monitoring of disease, particularly in juvenile fish; and restoration of stream channels from former mining excavations. This new Partners initiative will help improve roads and culverts so that erosional sediments due to logging in the Lower Basin are not flushed into the River during heavy rains. Restoration of aquatic habitats in the Lower Klamath Basin is critical for recovery of federally-listed coho salmon and for the recovery of chinook salmon whose numbers are now depleted. The Lower Klamath Basin contains critically important spawning and rearing areas for salmon and steelhead trout, which form the basis of the commercial and sport fisheries. Restoring these stocks will improve fisheries and help meet tribal trust responsibilities.





CULTURAL RESOURCES AND ASSET MANAGEMENT

America's cultural resources embody a rich heritage of human experiences, architectural achievements, and cultural identities. The NPS maintains a leading Federal role in preserving nationally significant natural and historical resources for present and future generations. Several complementary historic preservation programs help protect these resources through initiatives to inventory, manage, and preserve artifacts and monuments while encouraging community efforts to preserve local and regional cultural landscapes.

and State and Federal agencies. The new funding will restore 71 wetland and 37 upland acres and protect 136 wetland and 243 upland acres.

In 2007, Coastal program activities also will expand to address the decline of aquatic habitat in areas such as the Gulf Coast region, affected by hurricanes Katrina and Rita. Technical assistance and funding will be provided to local landowners, communities, parishes, and States to implement on-the-ground restoration projects. For example, the Alabama and Mississippi coastline includes fragile barrier islands that protect submerged aquatic vegetation that provides critical nursery grounds for Gulf of Mexico fish. On-the-ground voluntary restoration and protection of these areas would increase through both new and long-standing partnerships.

PRIVATE STEWARDSHIP GRANTS

A \$56,000 Private Stewardship grant to the nonprofit group Olino, funded the propagation and outplanting of six endangered plant species in the Pu'u-o-kali wiliwili dryland forest on the island of Maui, Hawaii. Dryland forests are the most imperiled of Hawaiian plant communities. Pu'u-o-kali is one of the few remaining examples of dryland forest and home to many rare Hawaiian plant species.



American Heritage and Preservation Partnership Program — Through its Preserve America initiative, the Administration is encouraging community efforts to preserve our cultural and natural heritage. The goals of the initiative include a greater shared knowledge about the Nation's past, strengthened regional identities and local pride, increased local participation in preserving the country's cultural and natural heritage assets, and support for the economic vitality of our communities. Nowhere is this needed more right now than along the Gulf Coast, where hundreds of historic structures, which

For so many Americans, National Parks help define who we are as a Nation. Our identity is conjured up in the historical record our parks preserve. It is conjured up in the landscapes that our parks keep whole for us to experience.

Deputy Secretary P. Lynn Scarlett, June 15, 2005

Each community has its own story. These stories present opportunities—opportunities for heritage tourism, education, and historic preservation. Through Preserve America, these stories come alive.

Secretary Gale A. Norton, June 30, 2005

have been a magnet for tourists in the past, were severely damaged.

The 2007 budget request for NPS includes \$32.2 million for locally focused historic preservation and heritage tourism programs, as part of the Preserve America initiative. This budget presents a more seamless approach to these programs by combining Preserve America grants, Save America's Treasures, and the Heritage Partnership program, and operating these programs under a unifying theme. This combination will allow local communities to determine which strategies best suit their heritage needs; apply to the most appropriate programs for repairing historic buildings, conserving museum resources, and promoting heritage development; effect better coordination; and generate greater efficiencies in enhancing and expanding opportuni-

ties for cultural resource preservation throughout the Nation.

Preserve America grants help States and communities preserve their historic resources by incorporating them into their local economies. The 2007 budget includes \$10.0 million, an increase of \$5.1 million above the 2006 level, for grants to help communities develop resource management strategies and business practices for continued preservation of heritage assets. Such activities include planning and feasibility studies, heritage education materials, heritage tourism business cases, and feasibility initiatives.

Grants will be awarded competitively, subject to a 50:50 match, as a start-up investment to help eligible communities deliver a specific product or accomplish a specific historic preservation result. Since its inception in January 2004, 261 communities in 47 States have been designated as Preserve America communities. In addition, Preserve America Presidential Awards have been presented to eight communities.

The Preserve America grants link to and complement both the Heritage Preservation program, through which communities manage notable historic places of national significance, and the Save America's Treasures grant program, which helps communities restore significant historic structures and resources. The Heritage Partnership program helps citizens, in partnership with local, State, and Federal governments, non-profit organizations, and the private sector, work across jurisdictional and demographic boundaries by identifying multiple cultural landscapes that are linked thematically, historically, or geographically. Communities collaboratively focus on maintaining the distinct qualities that integrate the region and make it special.



Congress has designated 27 national heritage areas across the country. Through partnerships among Federal, State and local governments, residents, and the private sector, these heritage areas conserve, interpret, and enhance heritage tourism activities. These areas are fully managed by private non-profit groups or by the States. The NPS provides technical and financial assistance to these areas, including planning and interpretative expertise, and connects regions with other Federal agencies to fully leverage private funding. The 2007 budget request includes \$7.4 million for heritage areas.

Save America's Treasures grants are available for preservation and conservation work on nationally significant intellectual and cultural artifacts and nationally significant historic structures and sites. Intellectual and cultural artifacts include collections, documents, and works of art. Historic structures and sites include historic districts, buildings, and objects. The budget includes \$14.8 million for Save America's Treasures. Grants under this program are awarded through a competitive process and require a dollar-for-dollar non-Federal match, which can be cash, donated services, or use of equipment.

Within the American Heritage and Preservation Partnership program, each program would continue to operate in accordance with its own previously established selection criteria under line-items appropriated by Congress. However, the budget request also emphasizes a more competitive process for awarding grants and providing assistance for the purposes of preserving cultural landscapes and resources through cooperative programs.

BLM Cultural Resource Initiative — The BLM is caretaker of perhaps the largest, most diverse, and most scientifically important body of heritage resources in North America. Thousands of cultural properties have been reported in surveys of BLM public lands, with an additional 4.5 million sites estimated to exist, including cliff dwellings; mines and stamp mills; immense ground figures and rock alignments known as intaglios; abstract, realistic, and anthropomorphic rock art renderings; aban-

doned military outposts and homesteads; ghost towns; Indian and emigrant trails; and lighthouses. These resources represent the tangible remains of at least 13,000 years of human adaptation to the land, spanning the entire spectrum of human experiences since people first set foot on the North American continent. Currently, BLM has 403 listings on the National Register of Historic Places that encompass 4,248 contributing properties, as well as 21 National Historic Landmarks, and five World Heritage properties. Many of the properties and artifacts are threatened by unauthorized use, theft, and vandalism.

The approaching 100th anniversary of the Antiquities Act of 1906 and the 40th anniversary of the National Historic Preservation Act of 1966 serve as another reminder of the legacy overseen by BLM, and the profound responsibilities this entails. The cultural and historic resources on public lands represent a priceless heritage. They are tributes to America's pioneering and innovating spirit and provide the public with a deeper understanding



of America—from the indigenous people to early Europeans to today's changing face of the West as urban growth and the western frontier merge on several public land fronts.

The 2007 BLM budget includes a \$3.0 million initiative to improve the protection, preservation, access to, and interpretation of these cultural resources to enhance their economic, scientific, cultural, and educational value to all Americans. In allocating these funds, BLM will give priority to areas with recently completed land-use plans that describe cultural resource enhancement and preservation projects.

The following types of projects will be funded with the \$3.0 million increase: implementing stabilization and other physical protection measures at sites appropriate for heritage tourism, increasing the

number of sites protected by 30 percent; increasing the number of sites monitored by 25 percent; increasing partnerships with Indian Tribes, accomplishing two projects to identify and assess places of traditional cultural importance; and conducting two heritage tourism workshops to develop ten on-the-ground tourism venues, leveraging BLM dollars with local tourism providers. Most of this work will be accomplished using partners and volunteers, although contractors will be used where specialized expertise is required.

Inventory and Monitoring of Historic Structures

— The NPS manages and preserves many of the Nation's cultural, historic, and natural treasures. As the Nation's cultural resource steward, NPS identifies, evaluates, documents, registers, preserves, and interprets cultural resources so these important places, sites, objects, and documents can continue to convey their important history about people from the past to present and future generations of Americans.

The cultural landscapes inventory is an NPS effort to establish a baseline of cultural landscapes in the national park system, serving as a vehicle for tracking the condition of these resources with historical significance within the national park system. At the national level, the information helps inform facility management planning efforts and budget decisions. At the park level, the inventory will aid managers in planning, programming, prioritizing spending, requesting funding, enhancing interpretation programs, and recording treatment and management decisions for their park landscapes.

The NPS also has made continued progress in the percentage of historic and prehistoric structures with complete, accurate, and reliable information including baseline information about a structure's condition. In 2004, 35 percent of structures had such information. In 2006, the performance target for this goal is 67 percent. The 2006 PART evaluation of the Park Service's cultural resource stewardship programs identified the need to fully inventory and monitor historic structures as a high priority goal.

The 2007 budget includes an increase of \$1.0 million to fund 20 term or contractor positions to accelerate the preparation of a cultural landscapes inventory and update the list of classified structures. The proposed increase would ensure that a full-time professional effort could be expended to ensure 83

percent of the historic and prehistoric structures in the inventory have complete, accurate, and reliable information. This is a 25 percent increase over the 2006 performance target.

SUSTAINING BIOLOGICAL COMMUNITIES

Invasive Species— The Department's 2007 budget request includes \$60.0 million for invasive species and continues the government-wide, performance-based crosscut budget effort that began in 2004. The budget provides an increase of \$994,000 for work in three priority geo-regional areas: South Florida, the Northern Great Plains, and the Rio Grande River Basin. The 2007 program will focus on invasive species that present significant threats to ecosystem health, including lygodium, leafy spurge, and tamarisk in particular.

In South Florida, lygodium is a well-established, hardy, fast-growing fern imported from the land ranges of Africa, southern Asia, Australia, and the Pacific. Lygodium directly affects native plant species diversity and coverage by suppressing growth through competition for sunlight, impeding water flow and drainage, restricting wildlife movement, and affecting prescribed burning programs for



habitat restoration. Rare plant species, such as the tropical curly grass fern, are severely imperiled by the spread of lygodium into their last remaining habitats, including the northern Everglades tree islands. Affected lands include national parks and seashores, wildlife refuges, and Bureau of Indian Affairs administered lands. In total, an estimated 60,355 acres of these areas are infested with lygo-

dium. The 2007 budget request of \$417,000 will allow for control of lygodium on 8,000 acres and fund research to address issues critical to the control and management of lygodium and ecosystem restoration in South Florida.

An infestation of leafy spurge, an invasive weed that infests more than five million acres of land in 35 States and the prairie provinces of Canada, impacts the plant communities in the Northern Great Plains. Leafy spurge is a native of Eurasia that causes significant problems by invading grazing lands for cattle and horses, reducing range-land productivity and plant diversity, degrading wildlife habitat, displacing sensitive species, and drastically reducing land values. Habitat occupied by leafy spurge has doubled in acreage every ten years since the early 1900s and is expanding beyond its foothold in the western United States.

In the Northern Great Plains, Interior manages lands in eastern Montana, western North Dakota, and the northwest corner of South Dakota extending to the banks of the Missouri River. Of the 213,779 acres of Interior lands in the Great Plains infested with invasive species, 204,367 acres, or 96 percent, are infested with leafy spurge. The 2007 budget requests an increase of \$149,000 for the control and management of invasive species on over 6,000 acres of Interior land in the Great Plains.

Tamarisk is an introduced invasive shrub-tree that was planted along waterways for erosion control and to serve as windbreaks. Its prolific reproductive traits and broad ecological tolerances have allowed tamarisk to spread quickly within the 17 western States, adversely affecting many water dependent activities across the southwestern United States. Along the Rio Grande River, in particular, tamarisk threatens water transport and is resulting in the loss of wildlife. Tamarisk adversely affects community water supplies, increases the frequency of wildfires, replaces native vegetation and associated fauna, and modifies soil chemistry, river channels, and stream flows.

Tamarisk infests an estimated two million acres of riparian lands in the western States. In the Rio Grande River Basin area, which covers the Rio Grande Basin from north of Albuquerque, New Mexico, to below Big Bend National Park, tamarisk infests an estimated 57,000 acres of Interior land. The 2007 budget requests an increase of \$428,000 to control and manage invasive species on 16,600 acres. The 2007 proposed funding level will also

allow tamarisk revegetation research, which builds on tamarisk mapping and forecasting capabilities focused on the Rio Grande River Basin.

FWS Migratory Bird Conservation — The 2007 budget includes \$41.3 million for migratory bird management, including a programmatic increase of \$1.0 million for joint ventures, and a \$1.5 million programmatic increase for migratory bird conservation and monitoring.

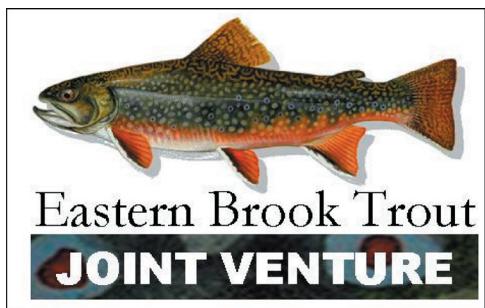
The conservation and monitoring increase includes \$396,000 for an ivory-billed woodpecker ecological assessment. This increase will augment the program's capacity to provide biological planning and assessment information to guide recovery efforts. Through the Lower Mississippi Alluvial Valley Joint Venture, program staff will work with scientific and conservation partners to identify and develop the parameters that link population sustainability to critical habitat characteristics. The outcomes of population-habitat models will be used to characterize and assess the current and historic capacity of habitats within the Mississippi alluvial valley and will also be used to develop decision support tools to guide conservation partners in voluntarily increasing the biological effectiveness of reforestation and habitat enhancement projects.

The remaining \$1.1 million conservation and monitoring increase will help FWS meet performance targets for increasing the number of migratory birds at healthy and sustainable levels and increase the number of people participating in bird-related recreation. These goals were established through the recent Program Assessment Rating Tool evaluation of the Migratory Bird program. The increase includes \$658,000 for focal species management. This strategy will focus resources on selected species identified as being of management concern. It also includes \$488,000 for an initiative to collect additional biological information on webless migratory game birds, such as the mourning dove and American woodcock, and improve the management of these species and other webless species.

FWS National Fish Habitat Initiative — The nationwide National Fish Habitat Initiative harnesses the energies and expertise of existing partnerships of State and Federal agencies and conservation organizations to improve aquatic habitat health. The FWS Fisheries program, as the lead Federal partner, has brought together States, Tribes, partners, and others to develop a coordinated plan to implement this initiative.



The 2007 budget includes \$3.0 million for the National Fish Habitat Initiative, an increase of \$2.0 million. The funding increase will foster geographically focused, locally driven, and scientifically based partnerships to protect, restore, and enhance aquatic habitats and reverse the decline of fish and aquatic species. These partnerships maximize use of existing partnerships through a collaborative, non-regulatory framework modeled after the highly successful North American Waterfowl Management Plan Joint Ventures. The Eastern Brook Trout Joint Venture, for example is a geographically focused effort to protect, restore, and enhance aquatic habitat throughout the range of the Eastern brook trout. Historically, approaches to the conservation of Eastern brook trout have been fragmented. The joint venture will implement a comprehensive range-wide conservation strategy to assist all partners in addressing common large-scale threats to brook trout and their habitat.



FWS Fish Passage Program — Early American industrialization was fueled by the use and management of water resources. Millions of culverts, dikes, water diversions, dams, and other artificial

barriers were constructed to impound and redirect water for industry, irrigation, flood control, electricity, drinking water, and transportation—all changing natural features of rivers and streams.

This process interrupted fish movements along rivers and streams. All river fish migrate between feeding and spawning areas and make other seasonal movements to important habitats. Barriers prevent natural fish migrations, keeping them from important habitats and impeding critical feeding, spawning, and other activities. As a result, some populations of native fish are gone and others are on the brink of disappearing.

In 1999, FWS initiated the fish passage program to work with partners to address this problem. The program uses a voluntary, non-regulatory approach to remove and bypass barriers. The program addresses the problem of fish barriers on a national level, working with local communities and partner agencies to restore natural flows and fish migration. Fish passage projects increase habitat available for fish spawning and growth. Natural flows and temperature have been restored for salmon, trout, sturgeon, striped bass, herring and shad, paddlefish, and many more native and declining species. Anglers, and commercial and subsistence fishers benefit from larger fish populations, which are distributed across more available habitats.

The 2007 budget includes \$5.0 million for the fish passage program, a \$1.4 million increase compared to 2006. This increase will be used to address artificial structures that block the free movement

YELLOWSTONE GRIZZLY BEARS



After three decades of successful conservation efforts involving Federal and State agencies and many other partners, the greater Yellowstone population of grizzly bears has recovered and no longer needs the protection of the Endangered Species Act. As a result, the FWS is proposing to remove the Yellowstone population from the list of threatened and endangered species. The remaining grizzly population in the lower 48 States has not yet recovered and will continue to be protected as threatened species under the Act.

A regional conservation strategy will guide State and Federal agencies in managing and maintaining a grizzly bear population after delisting the bears. In 2007, the budget provides \$1.0 million for implementing the conservation strategy for the grizzly bear in the greater Yellowstone area; \$495,000 through the FWS Partners for Fish and Wildlife program, and \$500,000 through the NPS Natural Resource Stewardship program.

When it was listed in 1975, this majestic animal that greeted Lewis and Clark on their historic expedition stood at risk of disappearing from the American West. Thanks to the work of many partners, more than 600 grizzlies now inhabit the Yellowstone ecosystem and the population is no longer threatened. With a comprehensive conservation strategy ready to be put into place upon delisting, we are confident that the future of the grizzly bear in Yellowstone is bright. Our grandchildren's grandchildren will see grizzly bears roaming Yellowstone.

Secretary Gale A. Norton, November 15, 2005

of fish in rivers and streams. The increase in 2007 should bypass or remove 13 fish passage barriers and restore access to an additional 3,787 miles of river habitat and 12,949 acres of wetlands for fish

spawning and growth. The FWS also expects to work closely with partners as well as other FWS programs in implementing the National Fish Habitat Initiative.

LANDSCAPE AND WATERSHED PROTECTION

Natural Resource Challenge — National Park Service activities funded through the Natural Resource Challenge provide park managers with the information needed to understand and to measure the condition of resources in parks, including the condition of watersheds, landscapes, marine resources, and biological communities. The information guides park management actions to improve and sustain the health of the Nation's park resources.

Two key components of the Natural Resource Challenge are vital signs and water quality monitoring. Vital signs monitoring tracks measurable features of the environment that indicate the health of park ecosystems, as well as the health of individual plant and animal species. Water quality monitoring tracks water conditions to preserve pristine waters and improve impaired waters in parks and surrounding areas. The NPS has organized 272 parks into 32 vital signs and water quality monitoring networks sharing similar geographical and natural resource characteristics to complete this task.

As of 2006, all 32 water quality networks and 30 of the vital signs networks have been funded. The 2007 budget proposal includes an increase of \$1.0

million to complete the remaining two planned vital signs networks. The additional funding will allow the inventory and monitoring program to identify vital signs for natural resource monitoring in 100 percent of the 272 parks.

The 2007 budget also builds upon the success of the Exotic Plant Management Teams, which were created through the Natural Resource Challenge, for invasive species management. Sixteen mobile exotic plant teams have been deployed to identify, control, and measure performance of control actions of non-native vegetation in many parks. The proposed funding would provide \$750,000 to support each of the three teams focused on Interior priority areas: the Florida team, which targets old world climbing fern; the Great Plains team, which targets leafy spurge; and the Rio Grande Valley team, which targets tamarisk.

BLM Successes and Challenges — The 2007 BLM budget includes approximately \$385.0 million in support of the strategic plan's resource protection goal. These funds will help BLM fulfill its multiple-use mandate. They support BLM efforts to sustain the health and productivity of public lands while accommodating recreation and other uses of the public lands, including energy development and grazing. The BLM conducts wide-ranging assessment, monitoring, protection, and restoration activities to maintain or improve the health of the

HIGHLANDS CONSERVATION

The 2007 budget includes \$2.0 million for implementing the Highlands Conservation Act. The more than two million-acre Highlands region provides a green buffer to the sprawling New York City, Philadelphia, and Hartford metropolitan areas, providing clean drinking water, vital open spaces and abundant outdoor recreation opportunities for 14 million visitors and as well as the 25 million people who live within an hour of this nationally significant and threatened region. The Highlands Conservation Act, signed by President Bush on November 30, 2004, is designed to assist Connecticut, New Jersey, New York, and Pennsylvania in conserving land and natural resources in the Highlands region with Federal assistance for land conservation projects. In close collaboration with the Interior Department and the Forest Service, these four States have established priorities to acquire land or interests in land from willing sellers to permanently protect resources of high conservation value.

With Congress's support and President Bush's signature, the Highlands Conservation Act is a historic victory that will greatly strengthen our efforts to protect the region's critical lands, drinking water supplies for 3.5 million New Jerseyans, and recreational lands for the region's 14 million annual visitors.

Representative Rodney Frelinghuysen, March 7, 2005

broad diversity of riparian and upland habitat and abundant fish and wildlife species on the 261 million acres of public lands administered by BLM. In 2007, BLM will continue to focus on such high priority efforts as implementing its national sage grouse habitat conservation strategy, controlling and eradicating invasive weeds, and implementing the President's Healthy Forests Initiative. The BLM is also developing a national resource monitoring strategy to improve its understanding of natural resource conditions and to track changes in the health of these resources over time.

Abandoned Mine Land Reclamation: Reforming the Allocation Formula — Through its major programs, the Office of Surface Mining protects communities and the environment from the adverse effects of coal mining operations. The Abandoned Mine Land Reclamation program addresses safety and environmental hazards found on over 560,000 acres impacted by abandoned coal mines in 25 States and on three Indian reservations.

Both the 2005 and 2006 budgets were accompanied by a legislative proposal to reauthorize the abandoned mine fee that finances the AML program. The reauthorization proposal would substantially improve the program by reforming features of the current authorization that divert dollars away from the most serious reclamation needs. The proposal would also repay to certified States and Tribes fee balances that they are owed under current law. During the current session of Congress,

The 2007 budget includes a proposal for an interim extension of OSM's fee collection authority through September 30, 2007. This authority will allow continued reclamation activities under current law. Pending enactment of specific reform legislation, the budget does not propose new funding for payments to certified States.

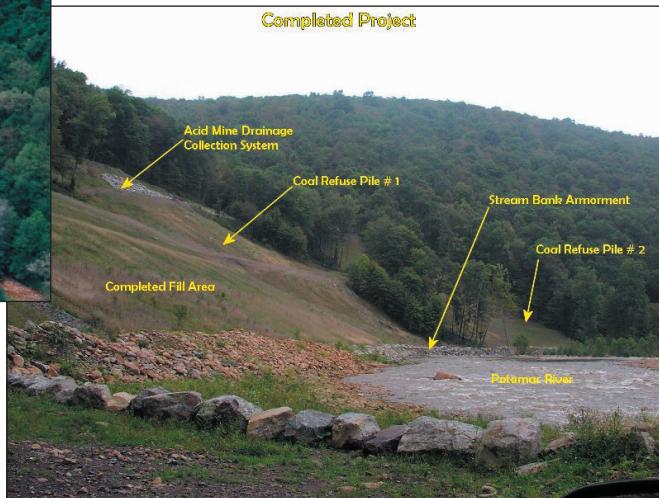
State Regulatory Grants — The goal of OSM's Regulation and Technology program is to implement Title V of the Surface Mining Control and Reclamation Act by providing oversight and technical support for the regulation of active mining. The regulatory program involves current coal mining operations on 4.4 million acres in 26 States and on the lands of three Indian Tribes. Total funding requested for the regulatory program is \$112.2 million, an increase of \$3.3 million above the 2006 enacted budget.

The Surface Mining and Control Reclamation Act provides that States should have the primary responsibility for regulating surface coal mining and reclamation operations on non-Indian lands within their borders. To encourage States to assume this responsibility, the Act authorizes the annual award of grants to States with approved regulatory programs for up to 50 percent of the State's cost of administering the program. Twenty-four States have approved permanent regulatory programs for the regulation of coal mining activities.

The 2007 budget includes an increase of \$2.0 million for State regulatory grants. The increase provides program and fixed cost increases for the State regulatory programs. In 2007, regulatory grants will allow the States and Tribes to prevent 93 percent of current mining opera-



the Administration and the Department will continue to work with the relevant authorizing committees to develop fiscally responsible and fair AML program reforms.



tions from causing offsite impacts, and will result in the release of 100,000 acres from phase one and two performance bonds, and the full reclamation of 70,000 acres.

NPS Asset Management — Operating and maintaining in good condition over 7,500 facilities for more than 273 million visitors annually presents a perennial challenge to the Park Service. Over previous decades, a backlog of maintenance needs accumulated in the national parks. Including the 2002 budget, the Administration has invested nearly \$4.7 billion and undertaken nearly 6,000 facility improvements within the national parks, resulting in improved roads and trails, rehabilitated visitor centers, more accessible campgrounds, stabilized historic structures, and visitor satisfaction rates that are high.

Ensuring that the state of disrepair experienced in the past does not recur requires an asset management plan that addresses all phases of an asset's lifecycle and encompasses the total cost of ownership for each asset. The key components to more effective facility management are a comprehensive inventory, needs assessment, and facility condition assessment survey process, which provide the necessary service-wide information for determining which resources and

activities are necessary to maintain facilities and infrastructure in acceptable operating condition. At the end of 2005, NPS had performed comprehensive assessments on 57 percent of its asset inventory. It is on track to meeting its goal of completing the first cycle of assessments by the conclusion of 2006. This comprehensive process for monitoring the health of the NPS assets will

provide a means of detecting problems early and preventing further facility deterioration.

The Department's 2007 budget continues to support NPS's implementation of its asset management program. Total construction and maintenance funding is \$622.8 million in 2007, a decrease of \$80.6 million from 2006, but still above prior Administrations' funding levels. This reflects a return to sustainable funding levels after the completion last year of a five-year surge in funding. The budget request focuses on protecting and maintaining existing assets rather than funding new construction projects.

This shift in priorities will allow the Department to maintain the progress made, as measured by the Facility Condition Index, in the maintenance backlog over the past four years. The initial implementation phase of the NPS asset management program focused on the asset inventory, utilizing the FCI and the asset priority index to target annual appropriations to improve the condition of high priority facilities, and instituting performance measures to monitor progress made in addressing the deferred maintenance backlog.

Within the levels requested for maintenance, the 2007 budget includes an increase of \$10.0 million

to maximize cyclic maintenance work. Increasing cyclic project dollars will enable parks to maintain assets on a predictive cycle, rather than allowing them to fall into disrepair. Proposed cyclic maintenance funds would target mission critical assets that are still in a maintainable condition, but could fall into poor condition without proper application of life-cycle maintenance. Typical projects include

I am awed at the challenges and responsibilities of managing our national parks. The Park Service mission—bequeathed to us by the founders of the park system—is inspirational and succinct. That mission is to preserve these great places unimpaired for current and future generations. The mission is succinct and inspirational, yet complex at the same time.

Deputy Secretary P. Lynn Scarlett, June 15, 2005

road sealing, painting and roofing of buildings, sign repair and replacement, repair of dock and marine facilities, and upgrading electrical and security systems.

The 2007 budget also proposes to use additional recreation fee revenue for facility maintenance projects. The proposed pricing model that supports the fee revenue increase is based on a recent study conducted by NPS in partnership with McKinsey & Company. To strengthen and enhance the fee revenue program, the pricing model seeks to simplify and standardize the fee rate structure; group parks and set fees by categories of like parks; and

review the pass program and pricing. Once the new pricing structure is in place, park managers will provide feedback on the most appropriate implementation strategy for each individual site. This is one facet of the Department's implementation of the Recreation Enhancement Act that will allow for greater consistency and rationale of fee programs; align fee rates more closely with commercial tour fee structures, the new interagency national recreation pass, and transportation fees; provide a tiered approach to the fee structure that is rational, familiar, and simple to administer; and create a sustainable rate structure while assisting in lowering the cost of collection.



Resource Use

Cooperation, balance, and management excellence will inform our decisions to ensure the Nation has access to energy; enjoys clean and sufficient water supplies; and maintains healthy forests.

Deputy Secretary P. Lynn Scarlett, March 9, 2005

Americans rely on predictable supplies of energy at reasonable costs to create jobs; sustain agriculture; heat and cool our homes, schools, and businesses; fuel our transportation systems; and provide medical and emergency services. Energy drives the economy, is critical to national security, and enhances the quality of life.

The supply disruptions associated with Hurricanes Katrina and Rita demonstrated the precarious nature of our energy supply and demand balance. As President Bush has frequently stated, and the hurricanes have emphasized, the Nation must diversify and increase its domestic energy production, while pursuing conservation and the development of alternative and renewable energy sources.

The Department of the Interior produces or provides access to 30 percent of America's current domestic energy supply, while protecting sensitive resources for future generations. Approximately one-third of domestic natural gas and oil; 43 percent of coal; one-half of geothermal; 17 percent of hydropower; and five percent of wind power are produced in Interior-managed areas. In addition to helping to meet the Nation's energy needs, Interior, through the Bureau of Reclamation, manages 472 dams and 348 reservoirs, providing drinking water to over 31 million people and irrigating approximately ten million acres.

Diversification of the Nation's energy supply is a top priority. Through a number of activities, the Department is broadening opportunities for production of energy from diverse sources. Working on new and adaptive approaches with other Federal agencies, State and local governments, Tribes, lo-

RESOURCE USE MISSION

Manage natural resources to promote responsible use and sustain a dynamic economy

cal communities and others, Interior is increasing domestic energy supplies, while addressing local concerns and protecting the environment.

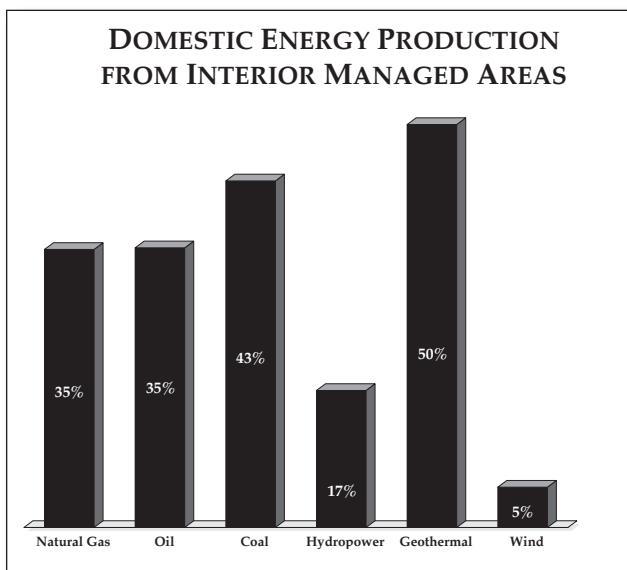
In 2007, Interior will increase access to both renewable and nonrenewable energy production, enhance environmental protection measures, and further investigate promising new energy sources. The Department's resource use programs will also increase timber production, improve forest health, and maximize water availability through improved delivery and efficiency of water use.

The 2007 budget for Interior's resource use programs is \$1.5 billion. These investments will:

- Enhance the Nation's energy security and availability by implementing the Energy Policy Act of 2005 and continued advancement of the President's objectives in the National Energy Policy.
- Prioritize expeditious processing of applications for permits to drill, reducing the backlog and increasing revenue.
- Increase alternative sources of energy by providing for an assessment of oil shale deposits; funding a coordinated effort to assess, characterize, and develop gas hydrates as a commercially viable source

ENHANCING AMERICA'S ENERGY SUPPLY

On August 8, 2005, President Bush signed the Energy Policy Act of 2005. The result of years of effort, the Energy Policy Act builds on the President's National Energy Policy to provide an energy strategy for the 21st century, promoting dependable, affordable, and environmentally sound production and distribution of energy for America's future. Implementation of the Act will help reduce our reliance on foreign sources of energy, protect the environment, promote conservation, and expand the use of new technologies and renewable energy sources.



of energy; and establishing a comprehensive program for regulatory oversight of alternative and renewable energy development on the Outer Continental Shelf.

- Increase the efficiency of existing water uses and future water supplies across the West through challenge grant programs, water optimization reviews, and improved desalination technology; increase delivery infrastructure and water availability by maintaining project funding for the Animas La Plata project implementation and completion; and legislate a formal rural water program.
- Support the goals of the Healthy Forests Initiative, National Fire Plan, and the commitments of the *American Forest Resource Council v. Clarke* settlement agreement to provide access for timber production in the Northwest.

Investments in resource use will be repaid to the U.S. Treasury many times over. Receipts from the Interior Department's oil and gas programs are projected to be \$13.0 billion in 2007.



Passage of the Energy Policy Act of 2005 provides important tools and authorities to help the Department of the Interior execute its responsibilities. Numerous sections within the Act involve both near and long-term actions that expand Interior's role in contributing to the Nation's economy and security. The Act makes practical reforms to the oil and gas permitting process to encourage new exploration in environmentally sensitive ways, and authorizes efforts to unlock vast amounts of energy now trapped in shale and tar sands.

To carry out the Energy Policy Act and to enhance the availability of affordable oil, gas, and alternative energy resources, the 2007 budget for Interior programs includes a \$43.2 million energy initiative.

This bill will strengthen our economy and it will improve our environment, and it's going to make this country more secure. The Energy Policy Act of 2005 is going to help every American who drives to work, every family that pays a power bill, and every small business owner hoping to expand.

President George W. Bush, August 8, 2005

In total, the budget includes \$467.5 million for the Department's energy programs. This amount includes funding for nondiscretionary fixed cost increases and is a net increase of \$43.5 million over 2006.

2007 ENERGY INITIATIVE (dollars in thousands)

Bureau of Land Management.....	27,869
Minerals Management Service.....	9,245
U.S. Geological Survey	3,180
Fish and Wildlife Service	471
Bureau of Indian Affairs.....	2,000
Departmental Management	
Office of Hearings and Appeals.....	400
Total, Department of the Interior.....	43,165

MEETING THE DEMAND FOR OIL AND GAS

In 2007, the Bureau of Land Management, Minerals Management Service, and U.S. Geological Survey will continue to implement the goals of the President's National Energy Policy by using the tools provided by the Energy Policy Act. These efforts will develop these resources while ensuring environmental protection.

Onshore Oil and Gas—Subsurface areas managed by BLM in the lower 48 States contain significant oil and natural gas resources. In 2003, the Department released an Energy Policy and Conservation Act mandated report identifying five basins in Montana, Wyoming, Utah, Colorado, and New Mexico as containing the largest onshore reserves of natural gas in the country and the second largest resource base after the Outer Continental Shelf. These onshore basins contain an estimated 139 trillion cubic feet of natural gas — enough to heat 55 million homes for almost 30 years. More than half of these lands are under Federal management. These resources offer the single best opportunity to augment domestic energy supplies in the short term.

The Energy Policy Act makes practical reforms to the oil and gas permitting process to encourage new exploration in environmentally sensitive ways.

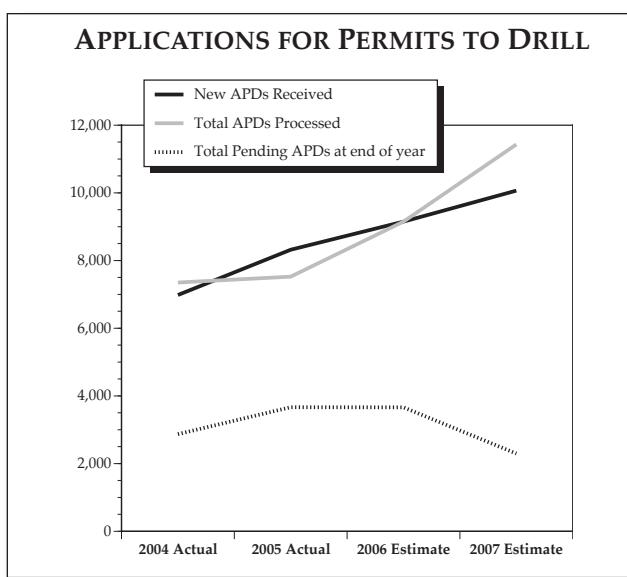
Before any leasing or actual oil and gas production can occur on public land, BLM must have a land-use plan that makes lands available for energy activities in an area. Beginning in 2001, with the support of Congress, BLM initiated the largest effort in its history to revise or amend all of its 162 resource management plans to ensure the sustained health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Within areas designated in land-use plans as appropriate for mineral development, BLM has made a concerted effort to help bring additional oil and gas supplies to the market. In fiscal year 2002, 2.1 Tcf of natural gas were produced from Federal, non-Indian lands. In fiscal years 2003 and 2004, 2.2 Tcf and 3.1 Tcf, respectively, were produced from these lands.

The BLM is experiencing a steady increase in demand for natural gas drilling permits, especially in the Powder River, San Juan and Uinta-Piceance Basins. Recent discoveries in the Greater Green River Basin will result in additional demand for drilling permits. In 2000, BLM received 3,977 applications for permits to drill. In 2005, BLM received 8,351 APDs. The bureau estimates that the number of applications it receives will exceed 9,000 in 2006, more than double the number just five years ago.

To address this demand, BLM has taken numerous administrative steps to ensure that drilling permit applications are processed promptly, while at the same time assuring that environmental protections are fully addressed in the review process. These include standard operating practice agreements; use of geographic area development plans and National Environmental Policy Act analyses; encouraging submission of permit packages with master development plans; use of standardized stipulations that incorporate best management practices; and establishment of quality assurance teams.

These measures, together with increased funding, have allowed BLM to make significant progress in acting on permit applications. In 2005, BLM processed 7,736 drilling permit applications, nearly 4,000 more than it was able to process in 2000.



Section 365 of the Energy Policy Act established a pilot program at seven BLM field offices that currently handle 70 percent of the drilling permit application workload. The pilot program is testing new management strategies designed to further improve the efficiency of processing permit applications. These strategies include placing employees of other Federal agencies in the pilot offices to improve and expedite coordination in the consideration of applications. Coordinated permit processing arrangements with States are also authorized. The Energy Policy Act provides enhanced funding for the pilot offices from oil and gas rental receipts to process drilling permit applications and conduct follow-on inspections and

monitoring. With more efficient processes and the authorities and funding provided through Section 365, BLM currently anticipates processing 10,160 permits in 2006. The efforts of BLM have already produced significant results. Almost 4,700 new onshore wells were started in 2005. This level of activity is 56 percent higher than in 2002.

For 2007, the budget proposes an increase of \$9.2 million to focus on the oil and gas workload in BLM's non-pilot offices, which are also experiencing a sharp and sustained demand for APDs. This increase will provide \$4.3 million for drilling permit application processing and \$2.8 million for inspection and enforcement activities. It will also provide \$2.1 million for energy monitoring activities. The increased funding for inspection, enforcement, and monitoring will strengthen BLM's ability to safeguard the environment while accommodating increased access to energy resources.

In addition, the 2007 budget includes \$471,000 for the Fish and Wildlife Service to increase consultation work with the non-pilot offices. The increase will facilitate sustainable development and delivery of energy resources, while ensuring development consistent with maintaining protections of threatened and endangered species.

The budget assumes continuation in 2007 of the enhanced funding for pilot offices from oil and gas rental receipts. The budget proposes, however, that the oil and gas program transition from this funding source to funding from drilling permit processing fees, effective September 30, 2007.

COST RECOVERY LEGISLATION

Funding for pilot offices from oil and gas rental receipts was added to the Energy Policy Act in the final conference committee on the legislation. The provision redirected an existing receipt stream that had been going to the U.S. Treasury. It also prohibited the Administration from implementing new fees for oil and gas permit processing.

The budget proposes to redirect rental receipts back to the U.S. Treasury and to allow the Administration to proceed with a cost recovery rulemaking. This proposal supports the Administration's efforts to charge for government services where the direct beneficiary can be identified. It will shift these costs from taxpayers and facilitate BLM's ability to timely process permit applications as demand increases. The proposed reliance on cost recoveries is consistent with the findings of Inspector General reports and the 2005 Program Assessment Rating Tool review of the oil and gas program.

To ensure that transition to cost recovery is seamless, the budget proposes that the cost recovery rulemaking take effect on September 30, 2007. The rulemaking will phase in full cost recovery for APDs, beginning with a fee amount that will generate an estimated \$20.0 million in 2008, fully replacing the amount provided by rental receipts.

Collectively, BLM pilot and non-pilot offices will be capable of processing 11,984 APDs and conducting 26,188 inspections in 2007.

Alaska North Slope—The most promising area for significant long-term oil discoveries and dramatic gains in domestic production in the United States is the Alaska North Slope, including the National Petroleum Reserve-Alaska and the Arctic National Wildlife Refuge. The U.S. Geological Survey estimates a 95 percent probability that at least 5.7 billion barrels of technically recoverable undiscovered oil are in the ANWR coastal plain and a five percent probability of at least 16 billion barrels. They estimate that the mean or expected value is 10.36 billion barrels of technically recoverable undiscovered oil. At \$55 a barrel, more than 90 percent of the assessed technically recoverable resource estimate is estimated to be economically viable. At peak production, ANWR could produce more oil than any U.S. State, including Texas and Louisiana.

The 2007 budget assumes that Congress will enact legislation in 2006 to open ANWR to energy exploration and development, with a first lease sale held in 2008 and a second in 2010. The budget estimates that these two lease sales will generate a combined \$8.0 billion in bonus revenues, including \$7.0 billion from the 2008 lease sale.

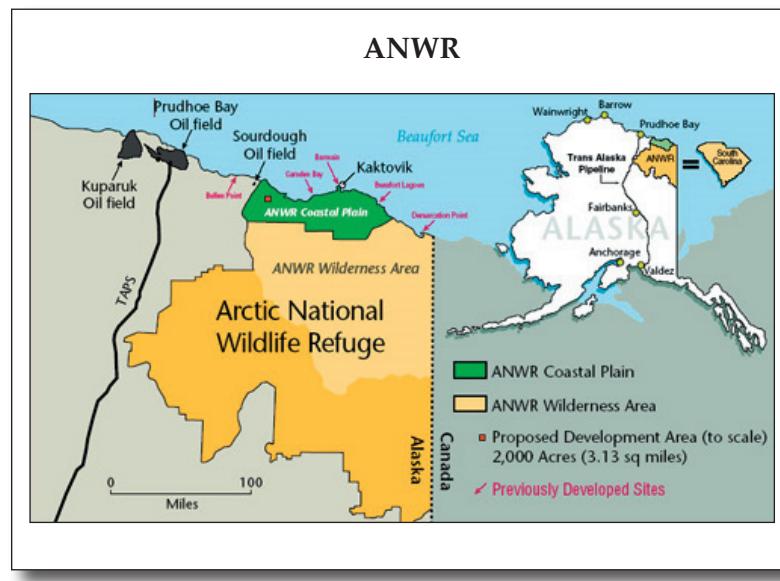
The 2007 BLM budget includes an increase of \$12.4 million for Alaska North Slope energy activities to support the preparation and implementation of an ANWR leasing program; enable BLM to effectively manage the anticipated increased energy develop-

ment activities in the NPR-A; and allow BLM to remediate old, abandoned energy-related infrastructure that poses a threat to the Arctic environment.

For ANWR, the additional funds will support such requirements as preparation of an environmental impact statement, data acquisition, and lease administration. For the NPR-A, the workload for leasing, development, and exploration activities will increase with the recent completion and ap-



proval of a resource management plan amendment for the northeast corner. The amendment will guide leasing, exploration, and development in the northeast portion of the National Petroleum Reserve for the next 10 to 20 years using lease stipulations and required operating procedures similar to those adopted in 2004 for the adjacent northwest area of the petroleum reserve. The BLM will also continue coordinating with the State of Alaska and the Canadian government on development of a North Slope natural gas pipeline.



The Administration is committed to ensuring that North Slope energy development is conducted in an environmentally sound manner. Given the unique and valuable natural resources of the North Slope, BLM will look for opportunities to strengthen and leverage its capabilities for effective environmental protection. In 2007, BLM will continue to support the North Slope Science Initiative. The NSSI, authorized in Section 348 of the Energy Policy Act, will guide inventory, monitoring, and research efforts at the Federal, State, and local levels

I'm confident that one day, Americans will look back on the Energy Policy Act as a vital step toward a more secure and more prosperous Nation that is less dependent on foreign sources of energy.

President George W. Bush, August 8, 2005

to support resource management on the North Slope. The initiative will enhance the quality and quantity of the scientific data available for aquatic, terrestrial, and marine environments on the North Slope, providing information to decisionmakers, agencies, industry, and the public. The initiative will facilitate a coordinated approach to information gathering and analysis.

The members of NSSI include BLM, MMS, USGS, FWS, National Park Service, National Marine Fisheries Service, Alaska Department of Natural Resources, Alaska Department of Fish and Game, Arctic Slope Regional Corporation, and the North Slope Borough. The NSSI research and monitoring projects will enhance the ability of these agencies to manage North Slope development in ways that protect the region's ecology and wildlife.

With the increased funds requested for the North Slope, BLM will continue to respond to the potential environmental damage associated with government legacy wells in the NPR-A. The BLM began addressing this problem in 2004. In response to the emergency situation created by accelerated coastal erosion in the vicinity of the J.W. Dalton well, in 2005 the Department transferred \$7.5 million using the Secretary's emergency transfer authority, combining it with \$1.5 million in deferred maintenance funding, to plug the Dalton well and dispose of its reserve pits.

The BLM also began assessments and characterizations of other sites at risk of inundation in the area and is developing a plan to direct the monitoring, maintenance, and response needs of the other legacy wells and infrastructure sites in the NPR-A threatened by river, lake, and ocean shoreline erosion. The studies and long-term plan will be completed in 2006. Potential work in 2007 includes completing the appropriate disposal of the Dalton reserve pit contents, plugging abandoned wells

at two other locations, and properly disposing of landfill and reserve pit contents in the area.

Offshore Oil and Gas — Deepwater areas of the Gulf of Mexico currently account for 17 percent of domestic oil and six percent of domestic gas production. However, over the next decade, oil production in the Gulf is expected to increase by 43 percent and natural gas by 13 percent. The increase will come from deepwater and greater depths below the ocean floor. Deepwater exploration will likely continue at historically high levels as the private sector strives to meet America's energy requirements. Hurricanes Katrina and Rita confirmed



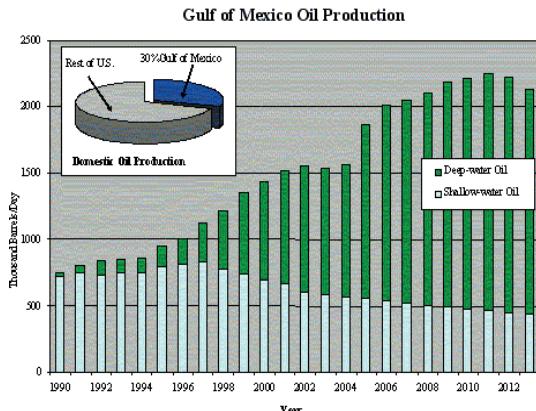
that the offshore oil and gas industry produces environmentally safe energy. Even in the face of back-to-back hurricanes, all subsurface safety valves held on the OCS, resulting in no significant spill from production wells.

The OCS program provides for safe and environmentally sound energy and mineral development

Despite such intense winds and powerful waves offshore during Hurricanes Katrina and Rita, we experienced no loss of life or significant spills from any offshore well on the Outer Continental Shelf. Personal and environmental safety are two of the major goals of the Department of the Interior and our Minerals Management Service.

Secretary Gale A. Norton, October 4, 2005

INCREASES IN DEEPWATER PRODUCTION



on the OCS, while ensuring that the public receives fair market value for these resources. The 2007 budget includes an increase of \$2.1 million for OCS development, to allow MMS to keep pace with the surge in exploration and development in the deep-water areas of the Gulf of Mexico. In 2005, MMS completed over 22,000 compliance inspections of offshore oil and gas facilities via helicopter, ensuring compliance with MMS regulations. A funding increase is needed to cover the cost of the new, five-year aviation contract, due to the increasing number of inspections and rising fuel costs. Flight charges are expected to increase by ten percent in 2007. With industry continuing to march into new frontiers and deploying new technologies, enhancing MMS's expertise is imperative to continuing effective regulatory oversight for safety and environmentally sound operations.

As stewards of OCS mineral resources, MMS currently manages over 8,200 leases covering approximately 43 million acres underlying Federal offshore lands. The bureau reviews and processes thousands of transactions each year to ensure proper documentation of lessee and operator responsibilities and as part of its on-going technical review. In the first half of 2005, transfers of record title actions increased 66 percent over the same period in 2004. These transaction volumes are likely to continue to rise through 2009 as an increasing number of leases approach their termination dates, and as the more than 100 operator companies seek approval to drill wells. The MMS anticipates processing nearly 10,000 plans, permits, and applications each year.

Royalty-In-Kind — The RIK program has demonstrated that, under certain circumstances, tak-

ing royalties in-kind has many advantages over taking them in-value. These advantages include revenue enhancement and earlier receipt of royalty revenues, as well as reduced regulatory costs and reporting requirements, thus shortening compliance cycles, improving overall business efficiencies, and avoiding conflict and administrative costs.

Beginning in 2006, MMS has permanent authority to fund transportation and administrative costs for the RIK program through RIK revenue receipts. As MMS has further optimized RIK volumes and increased U.S. Treasury revenues, it has examined its business practices and basic organizational structure. The 2007 MMS budget includes a reduction of \$3.1 million related to the indirect costs that can be recovered through RIK receipts collected in 2007.

ROYALTY-IN-KIND

Sales of royalty oil and gas through the MMS RIK program generated \$18.1 million in additional revenue for the U.S. Treasury in 2004. In the first three quarters of 2005, the RIK program increased receipts by \$16.3 million. In addition, administration of offshore RIK costs 26 to 36 percent less than RIV administration per barrel of oil equivalent, or per lease, respectively.

DEVELOPING ALTERNATIVE ENERGY SUPPLIES

The Energy Policy Act provides new authorities and a wide range of expanded responsibilities related to alternative energy resources, such as wind, solar, biomass, geothermal, and ocean energy resources, including tidal, wave, current, and thermal energy. By stimulating assessment and development of creative energy resources in the coming years, these new authorities will help MMS, BLM, and USGS to take appropriate steps to respond to America's growing energy needs.

The 2007 budget includes \$6.5 million for MMS to establish a comprehensive program for regulatory oversight of new and innovative renewable energy projects on the OCS, including four alternative

The Energy Policy Act authorizes research into the prospects of unlocking vast amounts of energy now trapped in shale and tar sands.

President George W. Bush, August 8, 2005

energy projects for which permit applications were previously under review by the U.S. Army Corps of Engineers. This transition will require consultation with Federal and coastal State agencies, industry, and other parties; environmental studies and impact statements; and the creation of the permitting and regulatory systems for alternative energy installations, including the promulgation of regulations to ensure environmental protection; the design and implementation of leasing procedures; fee, rental, and royalty regimes; compliance mechanisms; and the system modifications required for auditing and disbursement of revenues. The MMS anticipates being able to charge industry for certain applicant-specific assessment and processing activities.

FACILITATING DEVELOPMENT OF AMERICA'S ENERGY FRONTIER

The Energy Policy Act also provides new authorities and responsibilities for development of oil shale and gas hydrates. These new authorities will help BLM, MMS, and USGS respond to America's growing energy needs.

Oil Shale — Oil shale resources represent an abundant energy resource that could contribute significantly to the Nation's domestic energy supply. Oil shale underlying a total area of 16,000 square miles in Colorado, Utah, and Wyoming represents the largest known concentration of oil shale in the world. This area may contain in place the equivalent of 1.2 trillion barrels of oil.

The BLM is using \$1.0 million provided in 2006 to continue a research, development, and demonstration leasing program and begin work on the

programmatic environmental impact statement that is a precursor to a commercial oil shale leasing program. Recognizing the significant potential benefits of oil shale to the Nation, and the level of industry interest expressed thus far, the 2007 budget proposes to accelerate implementation of an oil shale development program leading to a commercial leasing program by the end of 2008. The budget proposes a \$3.3 million increase, for a total program budget of \$4.3 million, to enable BLM to meet this milestone.

This level of funding will support a programmatic EIS and a dedicated program management and oversight office commensurate with the technological challenges involved in developing oil shale and the high level of environmental protection the Department wishes to ensure during exploration and production. The 2007 budget also includes a \$500,000 increase for USGS to determine the size, quality, and quantity of oil shale deposits in the U.S.

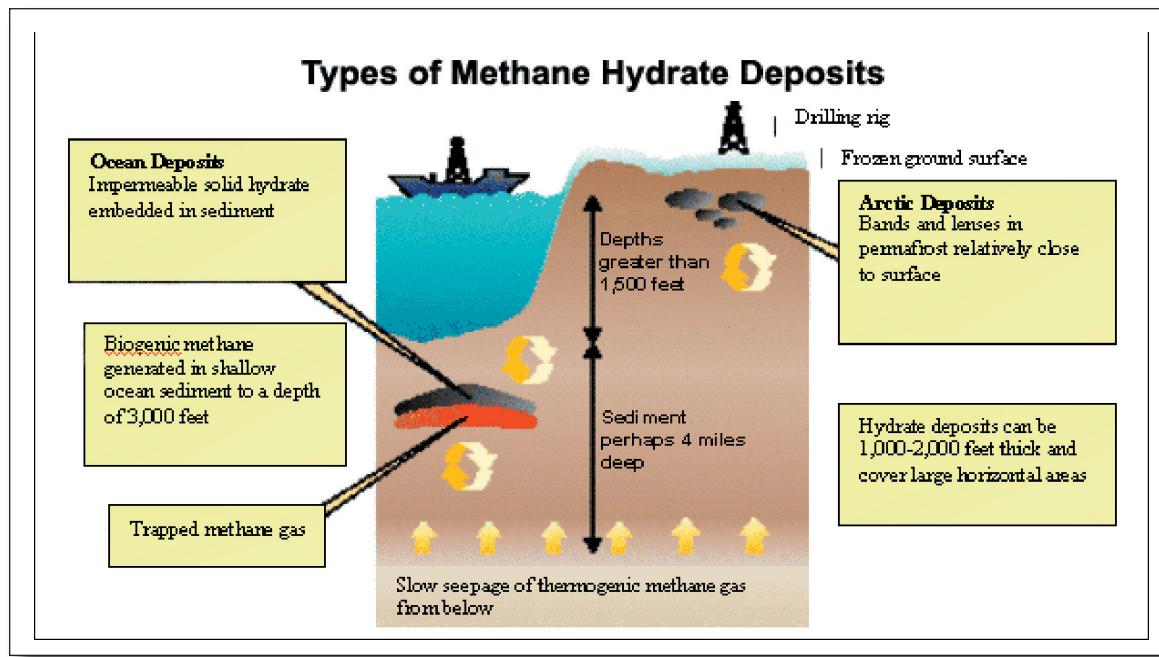
The BLM estimates that funding provided in 2007 for the programmatic EIS and regulations will lead to commercial leases covering up to 20,000 acres by late 2008. New leases utilizing the results of the research and development leasing program could lead to new production, but these leases are not expected to be in production for at least five years.

Gas Hydrates — Over the last 20 years, scientists have changed their view of how natural gas occurs within the Earth. Gas hydrates, found in some of the world's most remote regions such as the Arctic and deepwater oceans, could dramatically alter both the global balance of world energy supply and our understanding of the way the Earth's crust, oceans, atmosphere, and climate interact.

Gas hydrates occur abundantly in nature, both in Arctic regions where hydrates form beneath the permafrost, and in marine sediments at water

The Energy Policy Act facilitates Interior's important mission in providing energy for Americans. It enhances production of renewable energy by harnessing the power of wind, waves, and currents in Federal offshore waters; modernizes our coal leasing practices; and includes a number of provisions relating to non-conventional energy sources such as oil shale and methane hydrates.

Secretary Gale A. Norton, August 8, 2005



depths greater than 500 meters. A crystalline solid, gas hydrates consist of gas molecules, usually methane—the chief element of natural gas—surrounded by a cage of water molecules. When either warmed or depressurized, methane hydrate reverts back to natural gas. When brought to the Earth's surface, one cubic meter of gas hydrate becomes approximately 164 cubic meters of natural gas.

The estimated volume of natural gas occurring in hydrate form is immense, possibly exceeding the combined value of all other fossil fuels. On the North Slope of Alaska alone, there are potentially 562 Tcf of gas hydrate, with 100 Tcf falling within just two areas of known infrastructure—the Eileen and Tarn accumulations. In comparison, in 2004 the natural gas consumption of the United States was 22.4 Tcf.

The realization of production from natural gas hydrates could provide an opportunity to develop a very large fuel resource that can be produced and used with relatively low environmental impacts. However, the ability of gas hydrate resources to contribute to world energy needs will depend on the availability, production capability, and cost of extracting methane from its gas hydrate phase. The Interior Department is working with the private sector, academia, and other government agencies to ensure a long-term supply of natural gas by developing the knowledge and technology to allow commercial production of natural gas from domestic gas hydrate deposits.

The 2007 budget includes an increase of \$500,000 for USGS, \$1.0 million for MMS, and \$425,000 for BLM for a coordinated effort in the Gulf of Mexico and the North Slope of Alaska to accelerate research, resource modeling, assessment, and characterization of hydrates as a commercially viable source of energy. The work of these bureaus will be guided by a consolidated plan approved by Interior's Research and Development Council.

GAS HYDRATES RESEARCH

An international research consortium, the Mallik 2002 Partnership Group, involving USGS as scientific co-lead, has reported that it is technically feasible to produce gas from gas hydrates. Results from the Mallik 2002 production research project are being used in various USGS collaborative studies with MMS, Chevron, the Department of Energy Joint Industry project, and academia to develop geologic models that would be used to predict the occurrence of gas hydrates in the Gulf of Mexico. Results of the effort are also being used in a collaborative study between USGS, BLM, and the State of Alaska to assess the recoverable resource potential of onshore natural gas hydrate and associated free-gas accumulations on both State and Federal managed lands in northern Alaska.

TRIBAL ENERGY

Under the Energy Policy Act, Tribes maintain authority over their energy resources, within certain requirements. The Bureau of Indian Affairs budget includes \$2.0 million for Indian energy resource development, including energy inventories, feasibility studies, technical training, and start-up technical assistance, with emphasis on development of resource agreements.

GEOLOGICAL AND GEOPHYSICAL DATA PRESERVATION

The Energy Policy Act calls for an archive system to provide for the storage, preservation, and archiving of subsurface, surface, geological, geophysical, and engineering data and samples. An implementation plan for this program is due in 2007. The budget includes an increase of \$1.0 million for USGS to finalize a plan and put an archiving system in place to preserve these data. This system will ultimately preserve data, cores, offshore seismic reflection records, and other geophysical information collected by major oil and mineral companies. The data are at risk because these companies no longer want to maintain the data, which are invaluable to the geologic community.

SEISMIC REFLECTION SURVEYS

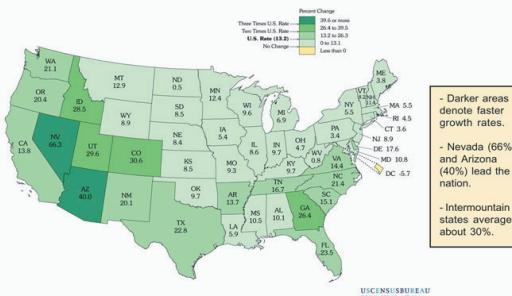
Chevron and several other major oil companies have collected vast holdings of seismic reflection surveys off the west coast of the United States from Alaska to Mexico over the past several decades. Until recently, these have been proprietary information, and the geologic community at large has not been able to use them to better understand offshore geology. The companies no longer want to maintain these data that cost billions of dollars to collect, and are transferring their holdings to USGS. The USGS Coastal and Marine Geology program is putting all of these data on the internet and thus accessible to the public.

RESOLVING WATER CONFLICTS IN THE WEST

The Bureau of Reclamation's core mission is to deliver water to customers, within the constraints of Federal and State water law. The amount of water available depends on the naturally occurring yearly water supply, water management practices, and variable weather patterns. Overall benefits from available water can be optimized through effective management and operations that ensure effective water delivery systems. Watershed modeling, precipitation forecasting, enhancements to delivery systems, and other technological improvements can enhance the efficiency and productivity of water resource projects.

DEMOGRAPHIC CHANGES:
Population has grown fastest in the West, particularly in the "Public Land States"

Percent Change in Resident Population for the 48 States and the District of Columbia: 1990 to 2000



Water is one of the scarcest resources in some of the fastest growing areas of the Nation. It is the lifeblood and foundation of the American West. Yet existing water supplies are, or may become, inadequate to meet the demands for water for people, cities, farms, and the environment, as currently managed, even under normal water supply conditions. These supply and management challenges are coupled with the fact that parts of the West are currently experiencing the worst drought on record. This combination of factors is generating major conflicts among those competing for water.

Interior has a long history of constructing water projects in the American West, where water resources are managed within a tightly woven quilt of Federal and State water law. In some places in the West, improved efficiencies alone will not address

Western States are facing some hard realities. Explosive population growth, chronic water shortages—particularly during this time of drought—environmental needs, over-allocated watersheds, and aging water facilities—all combine to create opportunities for crisis and conflict.

Secretary Gale A. Norton, May 5, 2005

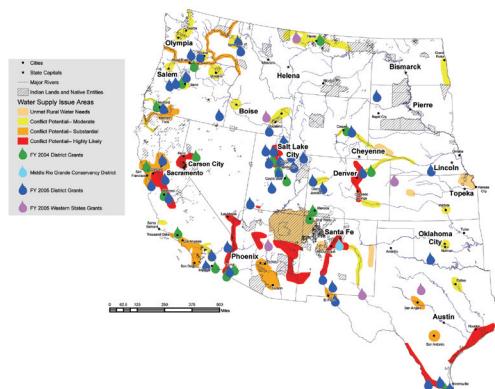
projected shortages or resolve current demands for water. Therefore, Reclamation also continues to improve water management through construction projects that utilize the latest in technology to increase water supply.

WATER 2025

As water supply-demand challenges increase in the West, the Bureau of Reclamation is well positioned over the long term to help prevent crises and conflict. Water 2025 affirms this long-term goal by focusing resources on increasing certainty and flexibility in water supplies, diversifying water supplies, and preventing crises through added environmental benefits in many watersheds, rivers, and streams.

The 2007 budget includes \$14.5 million for Water 2025, an increase of \$9.6 million. Water 2025 will use the most effective, low-cost options for increasing water supplies, including: on-the-ground improvements to existing irrigation facilities and installation of water management tools such as computerized water measurement and canal control devices; increasing water marketing opportunities; and making water purification more affordable. Increasing the efficiency of existing water delivery systems across the West is one tool that will help prevent crises and conflicts and help

WATER 2025 CHALLENGE GRANT PROGRAM 2004 AND 2005 GRANTS



make available more water supplies for farms, cities, people, and the environment. The \$14.5 million in 2007 will fund three program components: challenge grants, water system optimization analysis, and research to improve water purification technology.

WATER PURIFICATION RESEARCH GOALS

- Produce a 10:1 return on the program's R&D
- Increase partnership cost share
- Increase technology transfer

ANIMAS LA PLATA

The Colorado Ute Settlement Act Amendments of 2000 provide for the implementation and completion of the Animas La Plata project. The 2007 budget proposes to increase funding by \$2.0 million to \$57.4 million, which provides for initiation of construction of Ridges Basin inlet conduit and for continued construction of two of the project's other major features, the Ridges Basin Dam and Durango Pumping Plant. The increase also helps mitigate recent effects of increased inflation, primarily associated with steel, cement, fuel, and related supplies.

RURAL WATER

The 2007 budget includes \$68.7 million for rural water projects, which is \$14.4 million below 2006 enacted. Funding for this program is focused on projects under construction. The 2007 budget proposes to fund Mni Wiconi, Garrison Diversion Unit, Fort Peck Reservation-Dry Prairie, and Lewis and Clark rural water systems. The Mid-Dakota project will be completed with funding provided in 2006.



The 2004 PART evaluation of Reclamation's rural water projects recommended that Reclamation develop a formal rural water program, to include management controls and project development criteria and guidelines. The Administration has been working with Congress on rural water legislation that has passed the Senate and awaits action by the House of Representatives.

CALIFORNIA BAY-DELTA RESTORATION: CALFED

Critical to California's economy, the Sacramento-San Joaquin Delta serves as the hub of the State's water management system. The Sacramento and San Joaquin Rivers, which flow into the San Francisco Bay, provide drinking water for two-thirds of California's homes and businesses, and irrigate more than seven million acres of farmland, on which 45 percent of the Nation's fruits and vegetables are grown. The Delta and its watersheds also provide habitat for 750 plant and animal species, some listed as threatened or endangered.

Established in May 1995, CALFED is a comprehensive, long-term program to address the complex and interrelated problems in the Bay-Delta, the watersheds that feed it, and the areas served by

waters diverted out of it. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

After preparation of environmental documentation, the CALFED parties, including Interior, signed a record of decision formally approving a long-term programmatic plan for restoring ecosystem values and improving water management in the area. Approximately \$105.0 million was provided to Reclamation in 2001 through 2006 within various authorized programs of the Central Valley Project for activities that support the goals of the CALFED program. Beyond these funds, the Bureau of Reclamation and other Federal agencies participating in the CALFED program fund numerous other programs and activities closely aligned with the CALFED program.

On October 25, 2004, the President signed into law the CALFED Bay-Delta Authorization Act. The legislation provides a six-year Federal authorization to implement the CALFED program. In 2005, the Governor of California ordered a review of the governance, finances, and priorities of the California Bay-Delta Authority and the CALFED program. The review produced the "10 Year Action Plan" for CALFED, which narrows the programmatic focus, realigns program management, and recommends a finance plan to carry the program forward.

The 2007 budget includes \$38.6 million for Reclamation to implement CALFED activities. The 2007 budget requests funding for the following program areas:

Environmental Water Account — The request includes \$10.9 million for the continued reduction in conflict between fisheries and water project operations in the Delta. This program provides additional protection to the fish of the Bay-Delta estuary through environmentally beneficial changes

The Department recognizes that addressing future water needs in the West requires a mix of different strategies. These include vigilance in the efficient operation and maintenance of existing facilities, particularly the array of storage projects installed over the last century. We also look for additional storage opportunities that are justified from economic and environmental perspectives. The Department is collaborating with the western States to address western water needs.

Deputy Secretary P. Lynn Scarlett, March 9, 2005

in the operations of the State Water Project and the CVP, at no cost to water users.

Storage Program — The request includes \$11.4 million to continue feasibility investigations and environmental documentation on four proposed CALFED storage projects: Shasta enlargement; Upper San Joaquin River Basin storage; north of Delta off-stream storage (Sites Reservoir); and Los Vaqueros. Planning studies will focus on formulation of alternatives and cost-benefit analysis. Based on expected funding levels, plan formulation reports for Shasta and Los Vaqueros enlargement will be completed in 2006 and Upper San Joaquin and Sites Reservoir enlargement will be completed in 2007.

Conveyance — The budget includes \$5.2 million for activities consistent with the Delta improvement program, including increased capacity of the intertie between the CVP Delta Mendota Canal and the State Water Project's aqueduct; and projects to improve water quality in the Delta and reduce salinity and improve dissolved oxygen in the San Joaquin River.

Water Use Efficiency — The 2007 request includes \$247,000 to continue implementation of projects

via grants or cooperative agreements, which are anticipated to be awarded in 2006. Projects are expected to help meet the water conservation objectives contained in the CALFED water use efficiency program, which includes implementation of best management practices and focuses on water districts with a Federal nexus. Grants would be awarded that encourage cost-shared projects proposed by water districts, irrigation districts, resource conservation districts, and urban water agencies located in the CALFED solution area.

Ecosystem Restoration — The budget request includes \$2.0 million to continue implementing projects that improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta ecosystem to support sustainable populations of diverse and valuable plant and animal species. Projects include habitat enhancement, fish screen improvements, control of invasive species, and water quality improvement projects.

Water Quality — The 2007 budget request includes \$3.0 million to implement activities that advance water quality standards and objectives. These activities include San Joaquin Valley drainage management actions (including those that are consistent with the Westside Regional Drainage Plan), water quality monitoring, and other actions identified in the program to meet water quality standards and objectives for which the CVP has responsibility.

Science — The 2007 budget includes \$3.0 million to continue the interagency ecological program and the CALFED science program investigation of causes for the recent declines in the Delta of pelagic organisms. Also included in this request are expert evaluations and scientific assessments of the various

CALFED program elements and for assisting the CALFED agencies with the establishment of performance measures, and monitoring and evaluating the performance of all program areas.

Program Oversight — The 2007 budget also requests \$3.0 million for program tracking of schedules, finances, and performance; coordination of public outreach and multi-agency oversight; and coordination of program activities to ensure program balance and integration.



NORTHWEST FOREST PLAN

The Interior Department works in conjunction with the U.S. Forest Service and States to manage timber tracts on public lands and meet the goals of the Northwest Forest Plan and forest management plans. The 2007 BLM budget will generate increased timber production with a \$3.0 million increase in the Oregon and California Forest Management program that supports the commitments of the settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*. The additional funding will focus on implementing the Northwest Forest Plan under the commitments of the settlement agreement, which directs BLM to produce the allowable sale quantity of 203 million board feet and an additional 100 MMBF by thinning late-succession reserves. The increase will enable BLM to ramp up to meet the commitment level of 303 MMBF by 2009. It will fund the one to three-year sale preparation process, resulting in an additional 20 MMBF offered in 2008 and 2009, bringing the total timber offered to 263 MMBF in those years. This additional timber sale volume will yield an estimated additional \$6.5 million in Federal revenues.





Recreation

America is a land of majestic beauty, and we take pride in our wildlife, forests, mountains, lakes, rivers, and coastlines. Outdoor recreation is an important part of our Nation's heritage.

President George W. Bush, September 9, 2005

Department of the Interior lands boast a staggering array of recreational opportunities where Americans and people from all over the world seek inspiration, reflection, and exercise. In addition to managing magnificent landscapes ranging from the snow-capped peaks of Grand Teton National Park to the scenic vistas of El Camino Real de Tierra Adentro National Historic Trail, Interior also promotes recreational opportunities in local communities through a variety of cooperative grant and technical assistance programs.

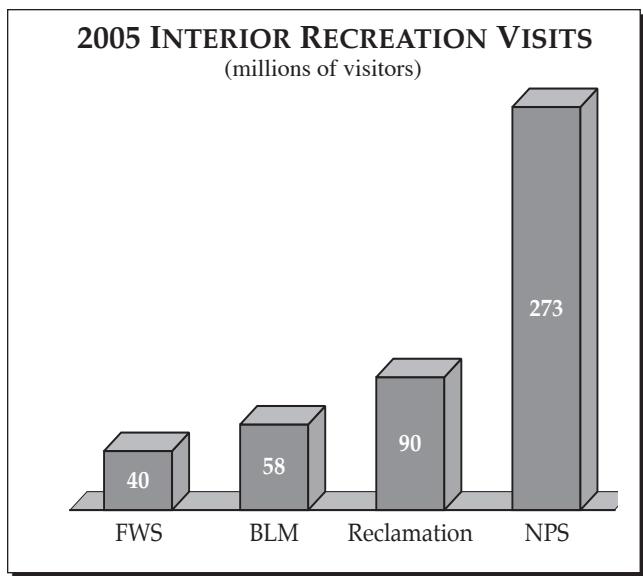
The Department offers the recreating public a multitude of outdoor activities in areas as diverse as the deserts, rivers, valleys, and mountains it manages. Whether enjoying off-highway vehicles at Imperial Sand Dunes, kayaking through the maze of rivers at Okefenokee National Wildlife Refuge, or snorkeling among the coral reefs at Virgin Islands National Park, Interior offers unique recreation experiences. Interior offers accessibility solutions at its recreation sites that create inclusive recreation opportunities for people of all ages and abilities.

The Interior Department's 2007 budget provides \$1.2 billion to advance its recreation mission with an emphasis on increased access and improved visitor experiences. The budget proposes to:

- Improve the quality of the visitor experience at national parks by maintaining funding levels for visitor services.
- Improve the recreation experience on national wildlife refuges and public lands by providing increases for partnership activities and visitor services improvements.
- Use the Land and Water Conservation Fund to acquire the highest priority land tracts, including grants for Civil War battlefields.
- Work collaboratively with the U.S. Department of Agriculture through the Recreation Fee Council to implement the Federal Lands Recreation Enhancement Act and introduce the multi-agency public lands pass.
- Unveil the National Recreation Reservation System, the flagship of the Recreation One-Stop initiative, to improve dramatically the accessibility of recreation information and opportunities for the public.

RECREATION MISSION

**Provide recreation opportunities
for America**



LAND MANAGEMENT AGENCY VISITATION

Interior's land management agencies and the Bureau of Reclamation provide numerous outdoor recreation opportunities for the public. In 2005, Interior experienced 461 million recreational visits to national parks, wildlife refuges, and other Interior-managed public lands. In 2006, even more people will visit and benefit from the 3,496 recreational sites managed by the Bureau of Land Management, the 545 national wildlife refuges, the 388-unit national park system, and the 308 Reclamation sites. Increasing public recreation demands, urban growth, and fiscal realities have inspired Interior to seek innovative solutions to sustain and increase quality recreation experiences. Working with local communities and interested parties has helped Interior achieve enduring on-the-ground recreation results. The 2007 budget will enhance the effective and efficient fulfillment of Interior's recreation mission.

Visitors to Interior lands enjoy extraordinary recreational opportunities. Each year, Interior must balance providing increasingly diverse recreational opportunities with protecting the very cultural, natural, and historic resources that attract visitors to Interior lands and waters. For example, a major challenge for BLM is managing increased off-highway use on public lands. The BLM is responding to this challenge by working with the public to develop management plans that specifically address off-highway vehicles.

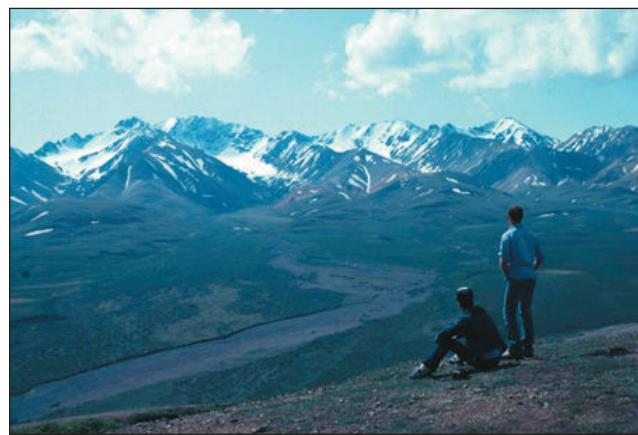
Similarly, the National Park Service is developing air tour management plans to determine appropriate levels of access for commercial air tours over park units. The Fish and Wildlife Service seeks to balance resource protection goals along with recreation opportunities on refuges through its comprehensive conservation plans.

The Department's 2007 budget provides targeted increases to continue to meet the objectives of its recreation mission.

ENHANCING EXPERIENCES AT AMERICA'S NATIONAL PARKS

Park Base Funding — The Park Service enhances the public's experiences in parks each year by developing, enhancing, and providing interpretation and education programs; staffing visitor centers; ensuring appropriate levels of security and safety at parks; and maintaining facilities and resources in acceptable or good condition. A primary vehicle for improving visitor services is park base funding. Over the past two years, NPS has received a cumulative four percent increase in base funding.

In 2005, base funding increased by \$59.5 million, including across-the-board increases for every park in the system and programmatic increases of roughly \$12.5 million to enhance visitor services. Funding in 2006 built upon the record 2005 park base funding level with another net increase of \$24.6 million, including funding of most fixed costs, additional across-the-board increases for every park unit, and net programmatic increases of \$5.0 million. Surveys show visitor satisfaction



Our management approach is to take better care of our existing parks. We are setting priorities for our national parks that will preserve and protect the culture and breathtaking beauty of these special places.

Secretary Gale A. Norton, September 9, 2005

with their park experiences remains at high levels. Every year since 1998, about 95 percent of park visitors have rated the overall quality of services as good or very good.

The 2007 budget request for national parks will improve visitor services, meet growing requirements, and enhance administrative capabilities. The request continues to prioritize funding for fixed costs for NPS as a whole by providing an increase of \$22.3 million for park base fixed costs. Funding the majority of the fixed costs in 2007 will help NPS meet performance goals such as maintaining visitor satisfaction. At the 2007 request level, base funding totals \$1.1 billion. These funds will be managed using a host of financial and organizational management tools, including Core Operations Analysis, as a means of ensuring park funds are allocated to operations that support each park's primary mission and Service-wide priorities.

Air Tour Management Plans — Elk bugling in the cool autumn air of Rocky Mountain National Park, birds calling in the Everglades, waterfalls thundering into Yosemite Valley, the quiet reverence at the Vietnam Veterans Memorial—these are the sounds that help make a trip to the national parks an unforgettable experience. This symphony of natural sounds within the national parks is an important park benefit. Varying in their character from day to night and from season to season, soundscapes vary as a result of the presence of nocturnal and diurnal species, wildlife migration

patterns, changes in vegetation and foliage, and the numbers and activities of the many different visitors to the national parks.

In recent years, flights over parks have increased dramatically. They include commercial passenger flights, sightseeing tours, general aviation, park maintenance, and fire and emergency operations. In the 1990s, Congress began to address the au-

dio impact of these flights on park resources and visitor experiences. The National Parks Air Tour Management Act of 2000 requires that NPS and the Federal Aviation Administration work together to develop commercial air tour management plans for all parks with commercial air tours. Currently, commercial air tours fly over

120 NPS units. The plans will help resource managers minimize adverse impacts by specifying the number of flights as well as their routes, direction, minimum altitudes, and time of day.

The 2007 budget request for the Park Service includes a \$2.4 million increase to continue meeting its commitment under the Air Tour Management Act. This proposal includes funding for an additional two FTEs to oversee contracted National Environmental Policy Act work, assist parks in acquiring acoustical data, and provide scientific expertise for soundscape management. These plans will improve resource management and complement existing management planning processes for park facilities as well as natural and cultural resources.



Our national wildlife refuges are not only beautiful places where fish and wildlife can flourish, they are also economic engines for the local communities, providing jobs, customers for local businesses, and tax revenue for local governments...We are ensuring our refuges continue to be places of awe and wonder as well as economic vitality for local communities across the country.

Secretary Gale A. Norton, October 6, 2005

IMPROVING THE NATIONAL WILDLIFE REFUGE EXPERIENCE

The national wildlife refuge system hosts nearly 40 million visitors annually. Wildlife-dependent recreation is a priority public use of the refuge system when compatible with the purposes and management of the refuge. The FWS has developed a wide array of facilities on many refuges to enhance each visitor's wildlife-dependent recreational experience, including hunting, photo, and observation blinds; fishing piers; boat launches; nature and interpretive trails; observation towers; boardwalks; auto tour routes; visitor centers; and educational exhibits.

Hunting and fishing, two traditional recreational opportunities on many refuges, continue to be extremely popular. The refuge system provides high-quality big game, upland game, and migratory bird hunting, often in places where other Federal lands are scarce. Hunting and sport fishing occurs at 317 and 271 national wildlife refuges, respectively. The refuge system also manages 37 Wetland Management Districts open to hunting.

Since 2001, FWS has opened 34 refuges to hunting and 24 refuges to fishing, creating recreation opportunities and stimulating local economies. Together with the many other recreational activities available to the public on refuges, these activities generated almost \$1.4 billion in total economic activity during the 2004 fiscal year. In 2004, nearly 40 million people visited national wildlife refuges, creating



almost 24,000 private-sector jobs and producing about \$454 million in employment income. Additionally, recreation spending on refuges generated nearly \$151 million in tax revenue at the local, county, State, and Federal level.

In 2007, the budget includes an increase of \$1.0 million for improving refuge visitor services. The budget requests an additional \$1.9 million for visitor services projects as part of the \$4.3 million challenge cost share increase. This increase will fund operational projects that will result in an estimated 67,000 additional hunting visits, 180,000 additional fishing visits, and 969,000 additional visits to participate in wildlife observation activities, such as bird watching. The increase in this matching program will also create more opportunities for local citizens, friends' organizations, and others to participate in community conservation stewardship programs on refuges and adjacent lands.



THE FEDERAL LANDS RECREATION ENHANCEMENT ACT

Enacted in 2004, the Recreation Enhancement Act gives Interior and the Forest Service a long-term tool to improve recreation and visitor amenities on public lands. The REA provides for a nationally consistent interagency program; enhanced visitor services at recreation sites; a new interagency national pass for use across Federal recreation sites; and more local community and public involvement in the program. Participating agencies include BLM, FWS, NPS, Reclamation and the Forest Service.

Unlike the Fee Demonstration program, which provided broad authority to charge fees, the REA limits fees to sites that meet specific criteria. The REA also creates Recreation Resource Advisory Committees for BLM and the Forest Service to ensure careful consideration of fee proposals and strengthen public participation opportunities for the recreation programs of all participating agencies.

Implementing a well-run recreation fee program that maximizes benefits to the visiting public remains a top priority for the Departments of the Interior and Agriculture. On December 17, 2004, nine days after the REA was signed into law, the Recreation Fee Leadership Council convened and approved an implementation plan. Comprised of key Interior and Agriculture officials, the Recreation Fee Council facilitates coordination and consistency among agencies on recreation fee policies. The implementation plan includes the creation of a steering committee to oversee day-to-day implementation, as well as several technical working groups for each of the key areas. The Fee Council created four technical working groups: the All America Lands Pass; Fee Collections and Fee Expenditures; Recreation Resource Advisory Committees; and Communications.

With introduction of a new interagency public lands pass scheduled for introduction in 2007, an

interagency team is coordinating listening sessions to receive public input on implementation processes; conducting studies and surveys on the price, use, and benefits of the pass; and completing the contracting process for its implementation.

The Fee Collections and Fee Expenditures team has defined terms in the REA and has developed a set of guidelines for use by field staff. In addition, agency representatives have received approval from the U.S. Treasury to establish a simplified account structure.

The Recreation RAC team has drafted interagency guidelines for public involvement, which were published in the Federal Register on September 28, 2005. Agencies are expected to develop additional guidelines tailored to their individual missions and management needs.

FEDERAL LANDS RECREATION ENHANCEMENT ACT GOALS

- Implement a well-run and streamlined recreation fee program that maximizes benefits to the visiting public.
- Work cooperatively with the public to ensure outstanding recreation opportunities for public lands visitors.
- Ensure the establishment of a transparent and effective recreation fee program.

The Recreation RAC team conducted 11 listening sessions across the country but primarily in the West to request feedback from the public on how Recreation RACs might be organized. Based on these listening sessions, the Departments have decided to utilize existing Resource Advisory Councils, with some adjustments, to fulfill

Recreation RAC duties. In areas where Resource Advisory Councils currently do not exist, new Recreation RACs will be created. The areas not currently covered by existing Resource Advisory Councils include Wyoming, Nebraska, eastern Washington, and western Oregon. An interagency Recreation RAC agreement between the Departments has been developed and is undergoing final review. Once the agreement is finalized, the existing Resource Advisory Councils can begin to assume their new responsibilities as Recreation RACs. For areas not covered by the existing Resource Advisory Councils, the Departments are preparing a charter to serve as the basis for establishing new Recreation RACs.

The Department has taken other steps to ensure compliance with the Act, resulting in several changes at fee sites across applicable Interior bureaus. For example:

- The BLM eliminated fees at Imperial Sand Dunes overlooks in California and at an undeveloped site at Orilla Verde Recreation Area in New Mexico; increased the number of sites that accept national passes from 12 to 28; added facilities to meet standard amenity fee requirements at Lower Colorado in Arizona and Gunnison Gorge in Colorado; and discontinued youth fees at Piedras Blancas visitor center in California and at Cape Blanco Lighthouse in Oregon.
- The Park Service completed a review of all 12,000 previously approved spending projects. Regions and parks evaluated approximately 1,500 projects to ensure that expenditures for each project did not include unauthorized spending, such as employee bonuses. The NPS is currently reviewing newly submitted projects to ensure compliance with the new law, appropriate levels of visitor access, and to ensure that recreation fee projects will improve the visitor experience in the national parks.
- The FWS eliminated entrance fees at Gavins Point National Fish Hatchery in South Dakota.

THE LAND AND WATER CONSERVATION FUND

The Land and Water Conservation Fund helps conserve, develop, and utilize outdoor recreation resources for the benefit and enjoyment of the American people primarily through conservation partnerships with local communities, private citizens, conservation groups, Tribes, and States.

The Fund's cooperative conservation component helps Federal managers partner with others to protect natural resources and improve recreation opportunities. Linking cooperative conservation on public lands to nearby private lands enhances conservation, intensifies community participation, and leverages the funding dedicated to these activities.

A significant number of species currently protected under the Endangered Species Act reside for all or a portion of their lives on private lands. Cooperative conservation projects that transcend Federal, State

LAND AND WATER CONSERVATION FUND (dollars in thousands)

	<u>2007 Request</u>
DEPARTMENT OF THE INTERIOR	
Cooperative Conservation Programs	
BLM	
Challenge Cost Share.....	9,357
FWS	
Refuge Challenge Cost Share	8,559
Partners for Fish and Wildlife	42,660
Coastal Programs.....	12,984
Migratory Bird Joint Ventures.....	11,835
NPS	
Challenge Cost Share.....	2,380
DM	
Take Pride in America	499
Subtotal.....	<u>88,274</u>
State and Other Grant Programs	
FWS	
State and Tribal Wildlife Grants..	74,666
Landowner Incentive Grants	24,400
Private Stewardship Grants	9,400
Coop. Endg. Species Grants	80,001
NAWCF Grants	<u>41,646</u>
Subtotal.....	<u>230,113</u>
NPS	
State Assistance	1,625
Federal LWCF	
BLM.....	8,767
FWS	27,079
NPS	22,718
Appraisal Services	<u>7,416</u>
Subtotal.....	<u>65,980</u>
Subtotal, Interior	<u>385,992</u>
U.S. FOREST SERVICE	
State LWCF Programs	
Forest Legacy	61,515
Forest Stewardship	33,880
Urban and Community Forestry	26,846
Federal LWCF Land Acquisition	<u>25,075</u>
Subtotal, Forest Service.....	<u>147,316</u>
TOTAL	<u>533,308</u>

SANDY RIVER-OREGON NATIONAL HISTORIC TRAIL

The 2007 budget includes \$750,000 for the Sandy River BLM land acquisition project on the Oregon National Historic Trail. The bureau is working with Portland General Electric to remove the Bull Run hydroelectric project, including dams on both the Sandy and Little Sandy Rivers. Dam removal will restore the free-flowing character of the Sandy River and result in the eventual transfer of 1,272 acres of PGE lands within the Sandy River project area into Federal ownership. A breathtaking scenic corridor immediately east of metropolitan Portland, the Sandy and Salmon River canyons descend from the forested slopes of Mount Hood, harboring a rich diversity of animal and plant populations within secluded riparian wetland areas. This project offers excellent recreational opportunities for fishing, hiking, wildlife viewing, nature study, and non-motorized boating or floating. The project is easily accessible from the Portland metro area, the northwest's second largest population center. It will provide for a quality recreation experience on Interior-managed and partnered lands and waters.



and private lands better protect endangered species and migratory wildlife and fish. In addition, cooperative conservation programs promote the achievement of recreation goals while promoting species and habitat conservation, as exemplified by the Sandy River Project.

Conservation partnerships that transcend Federal and State boundaries create opportunities to tap into the knowledge and resources of neighboring communities and enlist their support in long-term

conservation and recreation goals. In addition to expanding opportunities to meet the goals of LWCF, these partnerships leverage funds through partnerships that yield at least a one-to-one match. In 2007, the Department proposes funding \$386.0 million in LWCF programs. Of this total, \$318.4 million would fund cooperative conservation programs that expand opportunities for partnership projects that pay dividends in conservation, achieve recreation results, and leverage funding. The remaining \$67.6 million would fund Federal land acquisition by the Department's land management agencies.

CIVIL WAR BATTLEFIELDS: PART OF OUR NATIONAL HERITAGE

Well over half of the 384 principal Civil War battlefields have been lost. Today, an estimated 30 acres of Civil War battlefield land are transformed through development every day. These battlefields are part of our national heritage, scenes of struggle and sacrifice where American soldiers lost their lives. The 2007 NPS budget includes \$4.0 million in grants to States and local communities to acquire lands to preserve and protect Civil War battlefield sites. The grants will be matched, leveraging \$8.0 million.

LWCF Stateside Grants — Nearly \$3.9 billion has been appropriated through 2006 for the LWCF State Assistance Grant program, including \$312.0 million in the last four years, providing significant resources to States to develop recreation programs and acquire land. Many of these grants support State and local parks that have alternative sources of funding through State revenues or bonds. In addition, a PART review in 2003 found the current program could not adequately measure performance or demonstrate results. The NPS LWCF State assistance is funded at \$1.6 million, \$27.9 million below the 2006 enacted level.

UPPER SNAKE-SOUTH FORK SNAKE RIVER

Born of snowmelt and springs among high ridges of Yellowstone country, the 42,900-acre Upper Snake-South Fork Snake River project is unique. The BLM land acquisition budget includes \$1.5 million for this project, where BLM and partners are conserving and enhancing significant scenic, recreational, and wildlife resources within the Snake River corridor, predominately through the acquisition of conservation easements. The riparian corridor, lined with commanding cottonwood galleries and lush shrub understory, sustains a broad variety of plants, fish, birds, and wildlife populations. The first World Fly Fishing Championship in North America took place on the South Fork in 1997. The area provides important habitat for 126 bird species, including much of Idaho's bald eagle population, great blue herons, and the yellow-billed cuckoo. Diverse recreational opportunities account for 335,000 recreational visits per year.



VOLUNTEER PROGRAMS

The Department's land management agencies have close ties to the American people and sustain long-standing relationships with communities and individuals. The many historic, cultural, and natural resources accessible throughout lands managed by the Department provide public opportunities for respite, reflection, and outdoor recreation. The connection of people to these special places provides a rich context within which to engage the public, establish partnerships, and promote volunteerism in America.

Each year, Interior receives tremendous contributions as a result of long-term relationships with volunteers. Through a variety of volunteer programs, individuals of all ages with differing levels of experience and educational backgrounds contribute valuable time to help the Department fulfill its recreation mission. These volunteers bring their knowledge of local places and people and provide unique insights for visitors to parks, refuges, and public lands. In return, volunteers benefit from many learning experiences, new relationships, healthy lifestyles, and dynamic recreational opportunities. In 2006, volunteers are expected to contribute over 9.1 million hours of their time to the Interior Department at a value of \$153.0 million.

New legislation signed into law by President George W. Bush on December 7, 2005 allows increased use of volunteers in Interior's agencies. This law furthers the reach of the President's USA Freedom Corps, created in 2002 as part of his call to all Americans to volunteer in their communities. The law will ensure that all of Interior's bureaus have authority and resources to work with volunteers. It allows Interior to recruit and use volunteers in the Bureau of Indian Affairs and the Office of the Secretary and to strengthen existing volunteer authority at Reclamation and the U.S. Geological Survey.



Volunteers across America help public land managers fix fences and trails, restore historic buildings, teach kids to fish, monitor bird populations, and perform many other functions. They provide hands, eyes, and smiles to help our dedicated workforce serve the American public.

Secretary Gale A. Norton, December 7, 2005

TAKE PRIDE IN AMERICA

The new law will boost the Take Pride in America initiative, the public lands component of the President's USA Freedom Corps. Take Pride in America, a national, multi-agency partnership, empowers volunteers to participate in enhancing parks, refuges, recreation areas, and cultural and historic sites. This initiative successfully garners support by leveraging private funding and thousands of volunteer hours to further stewardship and other efforts on Interior and other public lands. Across the country, States and communities are implementing the Take Pride initiative in ways that best suit local needs and interests, but the message is the same—we have a duty to care for the public lands we use and enjoy. Each of us can find a way to take pride in America by lending a hand.

TAKE PRIDE IN AMERICA SUCCESS STORIES

- In May 2005, the Take Pride School program was introduced to the Carmel River School in Carmel, California, the first Take Pride in America school. Since then, 22 more schools have joined the program, committing to two on-the-ground volunteer projects per school year. Additionally, the Walt Disney Company, a Take Pride Charter Partner, mailed 111,000 "Take Pride in America Schools" inserts to every school principal in the Nation.
- Take Pride in America teamed with the Ford Motor Company and BLM to initiate the Save the Mustangs Fund. This program allows the public to contribute to the long-term care and placement of the wild horses and burros. Since May 2005, over \$23,000 has been donated by 346 donors to the Fund.
- Throughout 2005, Take Pride in America Partners continued to host volunteer events. The number of participants in these events continues to grow. In July, over 400 volunteers from PricewaterhouseCoopers participated in a clean up and beautification at Anacostia Park in suburban Washington, DC. National Public Lands Day took place across the country in September, with 800 events nationwide, resulting in 90,000 volunteers collecting 380,000 pounds of trash, building or maintaining 550 miles of trail, planting 4,500 trees and shrubs, and pulling 8,000 invasive plants. Also in 2005, 1,600 Take Pride Gardens were planted utilizing more than 20,000 pounds of donated seed.



Serving Communities



The Department of the Interior is responsible for protecting lives, resources, and property; generating scientific information; and fulfilling the Nation's trust and other special responsibilities to American Indians, Alaska Natives, and residents of affiliated island communities.

The Department faces challenges as it strives to continue to improve services to these communities. These include:

- Fulfilling trust responsibilities and promoting self-determination on behalf of tribal governments, American Indians, and Alaska Natives.
- Protecting communities from catastrophic wildland fires.
- Safeguarding visitors to Interior-managed lands from illegal activities.
- Providing scientific information to reduce risks from earthquakes, landslides, volcanic eruptions, and other hazards.
- Providing scientific assessments on the quality and quantity of the Nation's water resources and conducting multipurpose natural science research.

The 2007 budget includes \$5.0 billion for programs that provide these services to communities. These funds will improve services and accountability in trust programs, Indian education, and contract support; continue implementation of the National Fire Plan and the President's Healthy Forests Initiative;

SERVING COMMUNITIES MISSION

**Safeguard lives, property and assets,
advance scientific knowledge, and improve
the quality of life for communities
we serve**

strengthen law enforcement and security programs in the U.S. Park Police and Bureau of Indian Affairs; and enhance earth science and analysis to reduce the risks of hazards and support a new Landsat Data Continuity Mission.

TRIBAL COMMUNITIES

The Department's 2007 budget increases funding for unified Indian trust programs over the 2006 enacted level by \$30.2 million. The proposed program increase will expand efforts to consolidate fractionated interests in lands, enhance services, provide more timely information to beneficiaries, and continue improvements in trust management. The budget funds continued implementation of the Department's plan to conduct a historical accounting for individual Indians and Tribes accounts.

Working closely with federally recognized Tribes, Interior also promotes economic development and an improved quality of life for 1.6 million Native Americans in tribal communities across the Nation. To support the effort, the 2007 budget includes \$2.2 billion for BIA programs. The budget gives priority to strengthening Indian self-determination, upgrading management of education programs, and improving law enforcement.

AFFILIATED ISLAND COMMUNITIES

In serving communities, the Department coordinates Federal policy for, and provides financial and technical assistance to, the Territories of American Samoa, Guam, and the U.S. Virgin Islands, as well as the Commonwealth of the Northern Mariana Islands. Interior also oversees financial assistance to the freely associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The 2007 budget requests \$79.2 million in discretionary appropriations for the Office of Insular Affairs to increase economic development within the insular areas; improve the financial management practices of the insular governments; and increase Federal responsiveness to the unique needs of the island communities. Permanent appropriations for the OIA in 2007 will total \$347.1 million, including \$202.4 million for payments to the freely associated States.

WILDLAND FIRE

In the six years since adoption of the National Fire Plan, Interior has become far more effective in responding to wildland fires. Armed with the tools provided by the President's Healthy Forests Initiative and the Healthy Forest Restoration Act, Interior is reducing hazardous fuel loads, improving forest health, and reducing risks to communities more effectively than in years past. In 2007, Interior will maintain its high success rate for containing wildfires at initial attack through more effective and efficient use of preparedness and suppression resources. The Department will also continue to strategically implement hazardous fuels reduction projects to reduce risks to communities and improve forest and rangeland health. The 2007 budget proposes \$769.6 million for the Wildland Fire management program.

LAW ENFORCEMENT AND SECURITY

The Interior Department maintains the third largest law enforcement agency in the Federal government with over 4,300 commissioned officers. These law enforcement officers provide for the safety and security of 70,000 employees, 200,000 volunteers, 1.6 million Indian country citizens, and an average of 1.3 million visitors per day on public lands. They protect natural and cultural resources and facilities on approximately one-fifth of the land in the United States, including Interior-managed lands adjacent to the international borders with Canada and Mexico.

The Interior Department's 2007 law enforcement and security budget totals \$630.0 million, an increase of \$18.0 million above 2006. Budget increases focus on providing adequate staffing at BIA detention centers and in the high crime areas of Indian Country, implementing the Park Police staffing plan and ensuring Park Police presence at critical icons

SCIENCE

Science, a cornerstone for the Department's land management decisions, supports work to achieve resource protection, resource use, recreation, and serving community goals. The 2007 budget includes \$944.8 million for the U.S. Geological Survey so that science programs continue to generate relevant, objective information for land managers and for communities throughout the Nation. The budget emphasizes improvements in hazards prediction, assessment, monitoring, and communication; continued operation of the nationwide streamgaging network; and development of a ground data process and distribution system for Landsat 8 data.

PAYMENTS IN LIEU OF TAXES

Congress passed the PILT Act in 1976 to provide payments to local governments in jurisdictions where certain Federal lands are located within their boundaries. Local governments incur costs associated with Federal lands within their boundaries, but are unable to collect taxes on the lands. Currently, approximately 1,850 local governments use PILT payments to improve local school, water, and road systems, as well as for emergency services and for other necessary infrastructure on over 614 million acres of entitlement lands. Entitlement lands include lands in the national forest system, national park system, and BLM's public lands as well as those affected by the U.S. Army Corps of Engineers and Bureau of Reclamation water resources development projects. The PILT payments supplement \$4.0 billion in other Federal receipts shared with State and local governments. As part of the President's effort to reduce the deficit, the 2007 budget proposes \$198.0 million for PILT. Although the 2007 budget is \$34.5 million below the 2006 enacted funding level, this is 58 to 90 percent higher than PILT funding levels in the 1990s.



FULFILLING TRUST RESPONSIBILITIES

Lessons learned from implementing the Fiduciary Trust Model at Concho and Anadarko agencies will help significantly as we move forward to other BIA agencies. This progress at the pilot agencies is a major accomplishment toward reform of the Indian trust.

Secretary Gale A. Norton, December 15, 2005

The Department of the Interior has responsibility for the largest land trust in the world. Today, the Indian trust encompasses approximately 56 million acres of land. Over ten million acres belong to individual Indians and 46 million acres are held in trust for Indian Tribes. On these lands, Interior manages over 100,000 leases for uses such as farming, grazing, and oil and gas production on behalf of individual Indians and Tribes.

Interior collects revenues for over 277,000 open individual Indian money accounts that generate approximately \$302 million per year from leasing, use permits, land sale revenues, and interest. The Department also collects about \$518 million per year in over 1,450 tribal accounts for about 300 Tribes. In total, the Interior Department trust manages approximately \$2.9 billion in existing balances in tribal funds and \$400 million in individual Indian funds.

From 1996 through 2006, the Department will have invested \$3.4 billion in the management, reform, and improvement of Indian trust programs. As a result of these investments, trust business processes are being re-engineered to provide efficient, consistent, integrated, and fiscally responsible service to beneficiaries. Interior has reorganized the trust programs to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management. The Office of Historical Trust Accounting continues to focus on reconciling past transactions in individual and tribal trust accounts.

The 2007 budget proposes to invest an additional \$536.7 million in Indian trust programs. This

amount includes a net program increase of \$30.2 million over the 2006 enacted level.

The 2007 unified trust budget supports the full implementation of the planned reforms and operation of the re-engineered trust programs. The proposed increases will expedite eliminating the backlog of unresolved probate cases, streamline and strengthen efforts to complete cadastral surveys for Indian land transactions, provide technical assistance and grants to Tribes for Indian energy resource development, and expand efforts in consolidating fractionated individual interests in allotted lands.

OPERATION OF TRUST PROGRAMS

The Department has developed a comprehensive and systematic plan known as the Fiduciary Trust Model to reform the management of its trust responsibilities. The FTM plan includes reorganizing Interior's fiduciary trust offices to improve service delivery and enhance the accountability of trust operations, re-engineering Interior's fiduciary trust business processes and universal support functions to ensure the fulfillment of fiduciary trust goals and objectives, and reducing fractionated individual Indian trust land interests.

To improve the delivery of services to tribal and individual Indian beneficiaries, the Department is streamlining and improving its business processes. Working in partnership with beneficiaries to implement the FTM, Interior has implemented changes in operations and staffing at agencies; hired Indian

UNIFIED TRUST BUDGET FOCUS

The 2007 budget continues funding for efforts initiated in 2002 to re-engineer trust business processes. These comprehensive changes are intended to bring about dramatic improvements in the management of fiduciary trust assets, and thereby better meet the needs of individual Indians and Tribes – the beneficiaries. Replacing major legacy software systems that exceed 30 years in age with modern technology will facilitate a fiscally responsible, efficient, and effective business.

At field agencies throughout Indian Country, field staff are emphasizing beneficiary services and meeting account holders' needs. The Trust Beneficiary Call Center employees answer inquiries and, for 90 percent of inquiries received, resolve issues without referring them to another individual.

The Department is acquiring thousands of tiny fractionated interests of individual Indian land to reduce the rate of land fractionation. As of December 2005, 202,775 individual Indian interests have been acquired. In 2007, an increase of \$25.4 million is requested for this program and it is anticipated to result in the acquisition of about 80,000 additional undivided interests.

The 2007 budget includes \$39.0 million for IIM accounting and \$17.4 million for tribal accounting. Interior will continue its efforts to determine and verify the correctness of opening balances, transactions, and ending balances, and will provide individual Indians with statements of assurance regarding the accuracy of the historical statement of their account.

UNIFIED TRUST 2007 BUDGET			
(dollars in millions)			
Program	2006 Enacted	2007 Budget	Change
Beneficiary Services & Ownership Information	170	206	+36
Land & Natural Resources	101	103	+2
Trust Fund Assets	40	41	+1
Historical Accounting	56	56	0
Other	139	131	-8
Total	506	537	+31

land surveyors and initiated the Certified Federal Surveyor program; established the division of Indian Probate Hearings and hired staff to serve as the primary point of contact for beneficiaries; opened the Trust Beneficiary Call Center; implemented a nationwide lockbox system for the collection of trust payments; updated Federal regulations and added a minerals valuation unit; and developed draft interagency handbooks and desk operating procedures that document the standardization and streamlining of the business processes.

On June 30, 2005, the implementation of the integrated systems to support the FTM was completed

at the BIA Anadarko and Concho agencies in Oklahoma. These agencies now utilize the re-engineered trust processes and interfaced trust systems, including the Trust Funds Accounting System and the Trust Asset Accounting Management System. Trust data have been reconciled and validated within these systems, and numerous backlog clean up projects have been completed. This joint effort between BIA and the Office of the Special Trustee for American Indians staff and contractors provides a working model of the efficient trust beneficiary organization envisioned by the FTM for nationwide implementation. New business processes, handbooks, desk operating

Regional surveyors are expected to help expedite survey requests, prioritize requests, and determine when surveys are actually needed in order to avoid unnecessary surveys.

Special Trustee for American Indians Ross Swimmer, December 15, 2005

procedures, and training will continue through 2006 to fully implement the FTM at these and other BIA agencies.



On December 3, 2004, OST opened the Trust Beneficiary Call Center, located in Albuquerque, New Mexico. This nationwide, toll free call center enables operators to conveniently access information about beneficiaries' account balances, check the status of transactions, and update account information. Staff trained in various trust beneficiary issues and systems operate the center. In its first year of operation, the center received over 75,000 calls and

ACTIONS COMPLETED TO IMPLEMENT THE FIDUCIARY TRUST MODEL AT THE CONCHO AND ANADARKO AGENCIES

- 14,000 asset statements for accounts that contained trust asset ownership information, encumbrances, as well as balances, receipts, disbursements, and liabilities were sent to beneficiaries.
- Data on 133,754 owner interests, 5,455 encumbrances, and 7,343 tracts representing 493,549 acres of trust land were encoded and verified.
- The Land Title Records Office processed 2,247 probates and 1,319 probate modifications.
- An inventory was established cataloging 1,349 beneficiaries' wills.

provided a first-line resolution for approximately 90 percent of the requests. First-line resolution by the person answering the call without referral is more responsive and more effective, meets the needs of the beneficiaries. This allows field staff to focus on operational duties without interruption.

A call tracking system opened in the field assures that beneficiaries receive consistent and timely responses and allows field staff to track requests and avoid duplication.



On July 1, 2005, the piloting of the lockbox process was also completed at the Anadarko and Concho agencies. These agencies streamlined the collection and distribution of trust funds, enhanced Indian beneficiary services, achieved separation of duties and responsibilities, improved the timeliness of deposits, and automated a funds receivable module.

A lockbox facility located in Prescott, Arizona, now receives checks, captures images, and records data for reporting. Checks are now deposited the same day they are received. As of December 2005, the lockbox facility served 76 locations, and has processed 18,667 checks with a dollar value of over \$139 million. When fully implemented nationwide, the lockbox will relieve BIA of billing, collections, and posting processes. This joint BIA-OST effort allows their trust information technology systems to exchange the information required for invoicing, collecting, and allocating trust funds.

Reform of the fiduciary trust is proceeding. The conversion at the Concho and Anadarko pilot agencies demonstrates that the FTM can be implemented, and provides the business process tools to BIA to manage its part of the fiduciary trust. While obstacles remain, I believe that the foundation for fiduciary trust reform has been laid and that building on this foundation will allow Interior to execute more efficiently its legal obligations to trust beneficiaries.

Special Trustee for American Indians Ross Swimmer, December 15, 2005



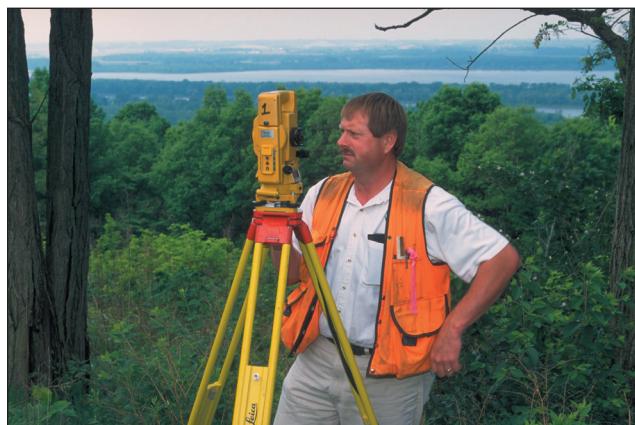
BIA TRUST

The 2007 budget provides program increases totaling \$11.5 million for BIA to meet the requirements outlined in FTM and continue trust reform initiatives. The increases for BIA include \$3.0 million to fund staff and contract costs associated with about 24,000 probate cases. The BIA undertakes pre-case preparation, case preparation, and closings stages of the probate process. This additional funding will assist BIA in closing an estimated 9,000 probate cases in 2007, an increase of 6,820 above the 2006 level.

The 2007 budget proposes a \$6.5 million increase to implement the FTM cadastral survey recommendations. These recommendations called for improvements to the cadastral survey process to eliminate backlogs and reduce the costs of surveys. A total of \$16.4 million, including base program funding, will be used by the Bureau of Land Management under contract to BIA to conduct cadastral surveys, operate a Certified Federal Surveyor program, and maintain the Public Lands Survey system. The Certified Federal Surveyor program will support training of BIA employees through a curriculum to be offered by the United Tribes Technical College and the Crownpoint Institute of Technology. The program will equip students

with the technical and professional skills to become certified surveyors.

A \$2.0 million proposed increase will stimulate Indian energy resource development, including \$1.4 million for grants to Tribes to develop their resources through such means as energy inventories, feasibility studies, and technical training. Interior proposes to offset these increases by OST reductions totaling \$4.9 million. These decreases result from the completion of certain contract efforts and include reductions in re-engineering efforts of -\$1.0 million; training programs of -\$1.4 million; risk management and trust examiner certification of -\$1.6 million; and trust operations costs as a result of implementing the lockbox and Trust Beneficiary Call Center of -\$875,000. These

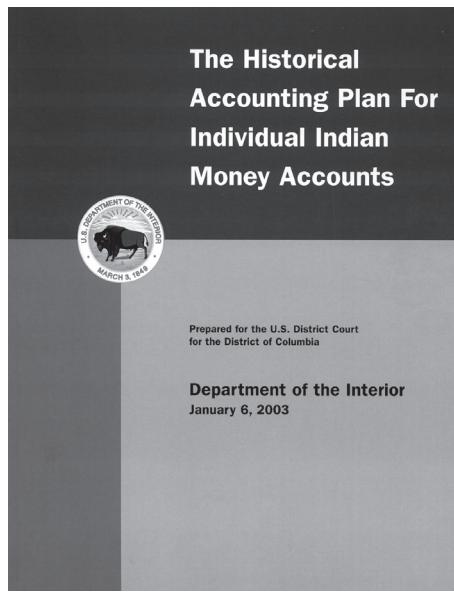


changes allow funds to be realigned to meet current trust priorities and program requirements.

HISTORICAL ACCOUNTING

In 1994, Congress passed the American Indian Trust Fund Management Reform Act of 1994. The Act requires the Secretary of the Interior to "account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian Tribe or an individual Indian, which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C § 4011 (a))." The Department is currently involved in a class action lawsuit, *Cobell v. Norton*, and approximately 31 tribal lawsuits associated with the management of Indian trust funds.

On January 6, 2003, as ordered by the court in the Cobell litigation, the Department filed *The Historical Accounting Plan for Individual Indian Money Accounts*. The Department's accounting plan provides for a historical accounting over a five-year period for about 260,000 IIM accounts open on or after October 25, 1994 that had balances. The plan had an estimated cost of \$335 million using both transaction-by-transaction and statistical sampling reconciliation techniques to develop assurances of the accuracy of the statements of account. The historical accounting addresses three distinct types



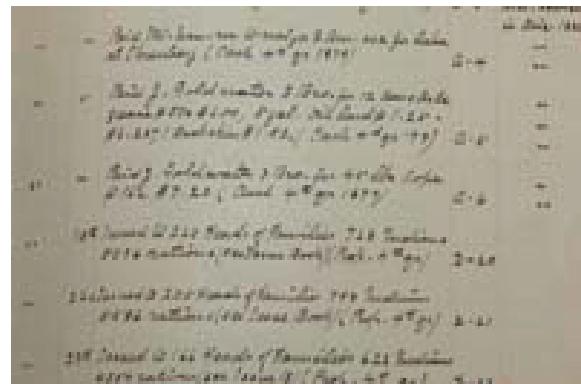
of IIM accounts: judgment and per capita IIM accounts, land-based IIM accounts, and special deposit accounts.

On November 15, 2005, the Court of Appeals for the D.C. Circuit vacated a February 23, 2005

structural injunction imposed by the District Court in the Cobell litigation that called for a transaction-by-transaction accounting for all transactions back to 1887 and was estimated to cost from \$10–\$12 billion. The Court of Appeals ruling specifically allows the use of statistical sampling as part of the IIM historical accounting.

Interior is considering modifying its January 6, 2003 accounting plan, based on the information now available from the work of the past three years, and the recent appellate court decision vacating the District court's structural injunction. The process will consider lessons learned from work already completed, removal of the structural injunction, statistical sampling parameters, and accounting costs.

Interior proposes \$56.4 million in 2007 for historical accounting, continuing the level enacted by Congress in 2006 to implement the Department's historical accounting plan. This amount will provide approximately \$39.0 million for IIM ac-



counting and \$17.4 million for tribal accounting. This amount may be revised depending on the outcome of any further court rulings in *Cobell v. Norton* or congressional action.

Within the \$39.0 million proposed for individual accounts, a total of \$6.5 million would be used to complete the reconciliation of the remaining 17,034 judgment and per capita accounts. To address land-based transactions, Interior will use \$22.0 million to reconcile 1,000 land-based IIM transactions; continue imaging and coding 3,000 boxes of jacket folders and digitize 100,000 paper ledgers, resulting in the imaging and coding of three million pages of trust documents; and continue data completeness validation for a total of seven BIA regions. An additional \$6.5 million will be used to identify the proper ownership of residual balances in special deposit accounts and distribute \$3.5

OHTA ACCOMPLISHMENTS

As of December 31, 2005, OHTA had reconciled more than 50,000 judgment and over 15,000 per capita accounts of the 99,500 judgment and per capita accounts (including some with no current balance). The OHTA has mailed over 12,000 historical statements of judgment and per capita accounts to individual Indian account holders and former account holders. By the end of 2006, OHTA will reconcile an additional 16,500 judgment accounts and 6,500 per capita accounts. Pending approval of the court, an additional 28,000 historical statements of account are ready to send to account holders.

Through December 31, 2005, Interior also has resolved residual balances in over 9,500 of the nearly 21,500 special deposit accounts, which existed on January 1, 2000, identifying the proper ownership of more than \$48 million belonging to individual Indians, Tribes, and private entities. By the end of 2006, Interior expects to identify the proper ownership of nearly \$50 million (cumulative) in residual special deposit account balances.

The OHTA also has imaged, coded, and loaded into the accounting reconciliation tool more than nine million pages of fiduciary trust records representing over 634,000 documents in support of IIM accounting, and reconciled nearly 8,000 land-based IIM transactions using the ART system. The OHTA has determined variance rates and dollar differences in accounts for the electronic records era, approximately 1985 through 2000, as a result of the Litigation Support Accounting project completed in fiscal year 2005.

The OHTA has imaged for tribal analysis and resolution, and in support of on-going tribal litigation, over 1.5 million pages of tribal trust records representing over 800,000 documents.

million in account balances to Tribes, individual Indians, and non-trust entities.

In addition, \$4.0 million will be used for on-going litigation support costs associated with both individual and tribal cases for work provided by the Solicitor and Department of Justice.



The American Indian Records repository located in Lenexa, Kansas, currently holds more than 130,000 boxes collectively containing about 300 million pages of records stored in accordance with the highest standards for the preservation of archival records.

HISTORICAL ACCOUNTING

	2005 Actual	2006 Estimate	2007 Estimate
Judgment and per capita accounts reconciled	59,538	82,538	99,572
Special deposit account funds distributed	\$47.3 million	\$49.8 million	\$53.3 million
Land-based IIM transactions reconciled.....	8,046	8,346	9,346
Number of historical statements of account mailed to account holders ¹	12,122	39,122	81,122
Paper era ledgers digitized.....	0	80,000	180,000
Analysis and resolution of tribal claims ²	0	3	7

¹ Mailing of historical statements of accounts subject to court approval. As of January 2006, mailings of 27,000 statements are pending court approval.

² This was formerly reported as tribal accounts reconciled, which does not capture the on-going work. In many cases, the work performed for a Tribe is not a historical accounting per se but may involve related and often more specific or detailed examination of management of tribal funds.

The \$17.4 million for tribal cases will support analysis and resolution of tribal claims and the potential settlement negotiations with Tribes. It will also fund four tribal claims analyses.

INDIAN LAND CONSOLIDATION

The greatest challenge facing successful fiduciary trust management is the fractionation, or continuing subdivision, of individual Indian interests in the land held in trust by the Federal government. Because individual Indian trust lands are subject to a permanent restriction against alienation, they are primarily transferred through inheritance. With each successive generation, individual interests in the land become further divided and subdivided among heirs, each of whom holds a smaller and smaller interest in the land.

The ownership of many disparate, uneconomic, small interests generates significant management costs, benefits no one in Indian Country, and creates an administrative burden that drains resources away from other Indian programs. The Department currently administers and manages more than 3.2 million undivided interests in these lands.

In many cases, the cost to account for and probate highly fractionated tracts far exceeds either the revenue or the value of the underlying property. -Based on an average cost of \$5,000 per probate, 200,000 future probates would cost a minimum of \$1 billion.



Interior has demonstrated success over the past several years acquiring these highly fractionated interests through the Indian Land Consolidation Program. The ILCP acquires small ownership interests in allotted land from willing sellers and is a key component in trust reform and management.

Once interests are purchased, title can be transferred to the Tribe. Purchase of fractional interests increases the likelihood of more productive use of the land, reduces record keeping, reduces the large numbers of small dollar financial transactions, and decreases the number of individuals subject to probate.

The American Indian Probate Reform Act enacted in 2004, provided new tools to improve probate and slow the rate of fractionation. The first full year

ILCP ACCOMPLISHMENTS

Through December 31, 2005, Interior has:

- Acquired 202,775 fractional interests in individual Indian allotted lands.
- Acquired 100 percent ownership in 166 tracts with over 1,142 individual owners.
- Acquired 100 percent ownership of interests held by 5,253 individuals.

As a result:

- One reservation now has a majority interest in 94 percent of all allotted tracts.
- One reservation now has majority interests in 75 percent of all allotted tracts.
- One reservation now has majority interests in 60 per cent of all allotted tracts.
- Two reservations now have majority interests in over 50 percent of all allotted tracts.

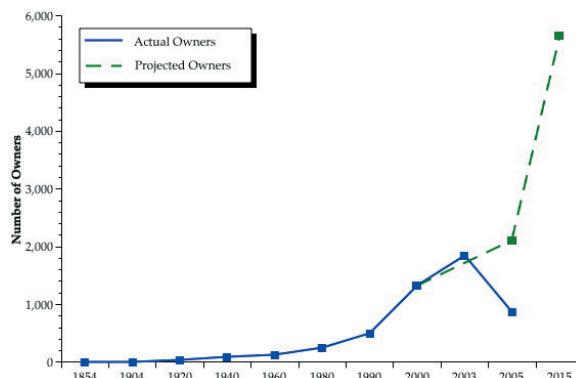
of implementation of the Act will be 2007, as key provisions will take effect on June 28, 2006, with respect to the estates of Indians who die owning trust property after that date. Those provisions include a new Federal Indian probate code and authorities for consolidating land ownership through sales, gift deeds, land exchanges, and consolidation agreements.

Provisions of the Act provide for measures to slow the rate for continued fractionation on approximately 85 percent of all interests. The remaining 15 percent of interests will, however, continue to fractionate, resulting in continued growth in the number of interests. Further, even those small interests that do not continue to fractionate will continue to cost millions to manage despite failing to provide notable economic benefits to their owners. The individual accounts that track, hold, and pay earnings and interest will require probate upon the death of the account holder.

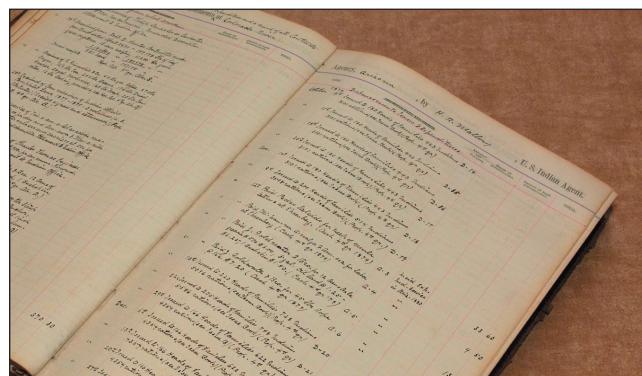
The Indian Land Consolidation program completed

a PART review in 2002. The review recommended coordinating efforts with tribal land acquisition entities to leverage program dollars and develop a long-term strategy to guide program expansion.

FRACTIONATION OF INDIAN LAND



The 2007 budget proposes funding of \$59.5 million for Indian land consolidation, an increase of \$25.4 million, or 75 percent, above the 2006 enacted level. As part of this proposal, the Interior Department will implement a tiered acquisition strategy, targeting selected highly fractionated tracts. There are 2,173 highly fractionated tracts, defined as 200 or more interests per tract, owned by 98,905 individuals who own a total of 711,530 interests. A focus on these tracts will begin in 2006 and target approximately 1,557 of these highly fractionated tracts owned by 64,055 individuals who own 520,685 individual interests located in ten geographic locations. In addition, partnership efforts will continue with tribal land consolidation efforts to leverage funding where appropriate.



The \$59.5 million proposed for 2007 will fund an acquisition program of about 80,000 additional fractionated interests. The estimates of the number of interests to be acquired are based on historical average cost to date, and as acquisition activities continue and additional targeted interests are acquired, the average cost per acquisition, cost per interest, and amount of interests acquired will likely change from the experience to date.

LEGISLATIVE REFORM

The Administration's on-going efforts to implement trust reform and improve services to beneficiaries include reviewing and revising trust regulations. In 2005, as part of FTM implementation, the Department began reviewing existing regulations and the need for new regulations. This initiative brought together working groups comprised of employees from BIA, OST, BLM, the National Business Center, Office of the Solicitor, Office of Hearings and Appeals, and OHTA. The working groups developed draft regulations to implement the FTM, comply with requirements of the new Probate Reform Act, and streamline trust business processes.

As an outgrowth from the workgroup efforts, the Department will consult with Tribes this spring to propose regulations and legislation addressing needed technical corrections and administrative

improvements for implementing trust reform, which will continue to improve services to Indian trust beneficiaries.

Interior's legislative proposals to be addressed in consultation with the Tribes, will focus on issues such as an expedited probate process to reduce probate backlogs; and the authority to create an unclaimed property fund and to close certain accounts with no known address, small balances, and special deposit accounts, thus reducing the accounting costs and creating efficiencies in management of the trust. Also, the Department will suggest amendments to the American Indian Probate Reform Act to allow the Secretary to initiate the purchase of more highly fractionated interests and parcels, resell the tracts by alienation, and retain any proceeds from the sale to purchase additional highly fractionated lands, thus resulting in further reduction of the fractionation of Indian lands.

SERVING TRIBAL COMMUNITIES



Our young country is home to an ancient, noble, and enduring native culture, and my Administration recognizes the defining principles of tribal sovereignty and the right to self-determination.

President George W. Bush, November 2, 2005

To advance the quality of life for tribal communities, the 2007 budget includes \$2.2 billion for programs in the Bureau of Indian Affairs. The budget provides funding to strengthen Indian self-determination, enhance education programs, continue to address the repair and replacement of BIA elementary and secondary schools, improve facility conditions at BIA funded detention centers, and resolve land and water claims.

STRENGTHENING INDIAN SELF-DETERMINATION

The ability of Tribes to contract or compact for BIA operated programs remains a key factor in strengthening Indian self-determination and fostering strong and stable tribal governments. The Indian Self-Determination Act requires BIA to provide tribal contractors with contract support costs, which include payment of indirect costs, as determined through negotiation between tribal representatives and Interior's National Business Center. Contract support funds pay a wide range of administrative and management costs, including finance, personnel, maintenance, insurance, utilities, audits, communications, and vehicle costs. Full funding of contract support costs encourages tribal contracting and promotes progress in achieving Indian self-determination.

The BIA budget proposes an increase of \$19.0 million to fully fund indirect costs for contracting Tribes. This increase is partially offset by a \$971,000 reduction in the Indian Self-Determination Fund due to the available carryover funds to meet estimated needs in 2007.

IMPROVING INDIAN EDUCATION

Rigorous educational programs help ensure a viable and prosperous future for tribal communities and American Indians. Providing Indian students with a quality education prepares them to compete in a dynamic economy. Comprising 184 elementary and secondary schools and dormitories, the BIA school system educates almost 48,000 students. The BIA also operates two schools of higher education and administers operating grants for 24 tribal colleges. Schools with Indian students also receive funding from the Department of Education and other sources.

Since 1990, several changes have occurred in the BIA elementary and secondary school system that impact BIA educational services. Tribes currently operate two-thirds of BIA funded schools, double the number in 1990. In addition, the Government Performance and Results Act and No Child Left Behind Act stimulated the development of new standards for student achievement and management accountability. The Adequate Yearly Progress accountability system under the No Child Left Behind Act measures student proficiency in math, reading, and language arts. The BIA is accountable for helping BIA funded schools achieve AYP targets and achieving AYP in all BIA funded schools remains a top BIA objective. Student performance at BIA schools, while improving, remains lower than national averages. In school year 2004-2005, 30 percent of BIA schools met the AYP measure.

One of the most important ways to ensure a successful future is through education. Over the past four years, my administration has provided more than \$1 billion for the Construction and renovation of Bureau of Indian Affairs schools. We also offer direct assistance for educator and counselor training to help make sure every classroom has a qualified teacher and every student has the tools he or she needs to succeed. As we work with tribal leaders to provide students with a superior education that respects the unique culture and traditions of the community, we can help ensure every child has the opportunity to realize their dreams.

President George W. Bush, November 2, 2005

The Department is committed to improving American Indian education and providing students with high quality education. The No Child Left Behind Act is the President's commitment that all public schools will provide students with high quality education, and students and parents should be able to expect that this Administration will meet the President's commitment to our schools. Full and successful implementation of the the Act will require a strong partnership between the Department and every bureau funded school and its community.

Associate Deputy Secretary James Cason, September 9, 2005

In response to changing management responsibilities, BIA worked with Tribes and tribal school boards to develop a Program Improvement and Accountability Plan to improve the effectiveness of the education services provided in the Bureau funded school system. The plan identifies six major objectives such as achieving AYP and improving communication. The tasks to achieve the objectives include hiring, training, and retaining highly qualified staff to achieve AYP and ensuring parent and community involvement to improve communications. The milestones necessary to accomplish these objectives include teacher certification and performance evaluations and developing a survey with parental input to assess parental involvement. The status of these tasks and milestones are reported quarterly and then shared with the Department of Education.

The 2007 BIA budget includes an increase of \$2.5 million to realign education offices and meet the staffing requirements identified in the Program Improvement and Accountability Plan. The restructured education program will provide the oversight capacity necessary to ensure that all schools make progress in student achievement. The new organizational structure establishes new leadership positions and realigns BIA education offices in the field and in headquarters

to a more centrally coordinated organization. The additional staff will be instrumental in making the plan a success. Senior executives will be placed in strategically located education offices, along with the appropriate mix of data, contract, and finance specialists. Adding senior level leadership in regional education offices will strengthen accountability. Establishing dedicated data, contract, and finance specialists to provide system-wide services will also allow school administrators and teachers to focus on student needs.

The Indian education program also includes a new initiative to address the needs of juveniles detained in BIA funded detention centers, a segment of Indian youth underserved in the educational system. The BIA budget includes an increase of \$630,000 to provide appropriate on-going education to all juveniles housed at the 20 BIA funded juvenile detention centers. The BIA Office of Law Enforcement believes that juveniles are less likely to repeat offenses if they have the opportunity to stay current with their academic instruction.

The budget proposes to eliminate the \$16.4 million Johnson-O'Malley grant program. Identified in the Tribal Priority Allocations of some Tribes, JOM grants attempt to address Indian student needs in local public schools, but duplicate similar funding



made available by other Federal and State assistance programs. These grants do not address a focused goal for academic achievement and lack a means to measure and report whether benefits accrue to student performance. Eliminating JOM grants allows BIA to realign funds and focus on clearly effective components of the BIA school system, while also reducing redundancy with other Federal programs.



BUILDING SAFER SCHOOLS

The BIA school construction program provides funding to replace, rebuild, and repair BIA funded schools so Indian children have safe and nurturing places to learn. Between 2001 and 2006, the President and Congress have provided \$1.6 billion for the Indian education program, funding replace-

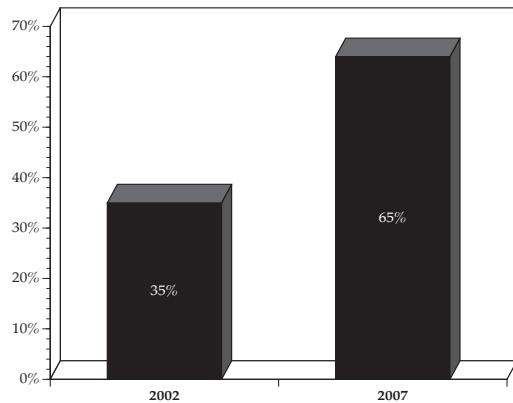
ment of 37 schools and major facility improvement and repair projects at 45 schools.

The funding has resulted in significant improvements, increasing the number of schools in good condition. In 2001, only 35 percent of schools were in good or fair condition. After completion of the work funded through 2007, approximately 65 percent of schools will be in good or fair condition as measured by the Facilities Condition Index. Of the 37 replacement schools funded between 2001 and 2006, ten of these have been completed. Another 19 will be completed in 2006 and 2007. Of the 45 major facility improvement and repair projects funded between 2001 and 2006, nine have been completed and 25 are scheduled to be completed in 2006 and 2007.

The 2007 budget requests \$157.4 million for school construction and repair. Though \$49.3 million below the 2006 enacted level, this amount enables BIA to focus on completing school construction already



BUREAU OF INDIAN AFFAIRS SCHOOLS IN GOOD OR FAIR CONDITION



underway and initiate several new construction projects. In the 2007 budget request, the \$36.5 million proposed for replacement school construction will complete funding for the Muckleshoot Tribal School in Washington and fully fund the Dennehotso Boarding School in Arizona. It also will fund planning and design for schools on the replacement school priority list. The education construction account also includes \$41.3 million for Facilities Improvement and Repair projects, and \$50.7 million for annual maintenance.

The 2007 budget proposes a new budget subactivity, Replacement Facility Construction, to conform to the recommendations of the Inspector General's

report on the use of facility improvement and repair funds. This new subactivity will fund replacement of individual buildings on school campuses when entire new school facilities are not needed. Oftentimes, it is more economically prudent to replace a structure than to repair or rehabilitate it, but replacement of a structure is classified as construction, rather than facility improvement and repair. In 2007, the \$26.9 million proposed for this subactivity will fund the replacement of four buildings and the planning and design of future replacement facilities construction projects.

EXAMINING TRIBAL BASE FUNDING

Tribal Priority Allocations funding provides basic tribal services, such as tribal courts, social services, adult vocational training, child welfare, and natural resources management. The TPA gives Tribes the opportunity to further Indian self-determination by establishing their own priorities and flexibility allocating Federal funds among programs. This funding reflects the Federal government's commitment to support effective and meaningful participation by Indian Tribes in planning, conducting, and administering services delivered to their communities.

The 2007 budget for TPA, \$754.1 million, funds ongoing support for tribal communities. However, the funding allocation process used today is based on historical funding levels established in the early 1970s. In order to ensure that the budgets address the highest priority needs in Indian Country, Interior will continue to consult with Tribes on how best to focus TPA funds. The collaborative process is intended to strengthen support for the Federal government's long standing commitment to respect tribal sovereignty and self-determination.

RESOLVING LAND AND WATER CLAIMS

The \$33.9 million BIA budget for Indian Land and Water Claim Settlements includes \$22.3 million for two new settlements.

The Snake River Water Rights Act of 2004 requires that the Department provide the State of Idaho and the Nez Perce Tribe \$170.9 million to fund water supply, habitat restoration, and other purposes. The BIA portion of the settlement is \$95.8 million.

The total 2007 Departmental request for the Snake River settlement is \$28.8 million, including funding requested for BIA, the Fish and Wildlife Service, Bureau of Reclamation, and Bureau of Land Management. The 2007 BIA budget includes \$14.8 million for payments to the Nez Perce Tribe Water and Fisheries Fund, Nez Perce Tribe Salmon and Clearwater River Basins Habitat Account, and Nez Perce Tribe Domestic Water Supply Fund. The 2007 budget for the Snake River settlement also includes \$5.1 million for FWS, \$8.7 million for Reclamation, and \$200,000 for BLM.

The BIA budget includes \$7.5 million for the first of two payments for Rocky Boy's Water Systems Operation, Maintenance, and Replacement Trust Fund. Section 914 of the Rocky Boy's-North Central Montana Regional Water System Act authorizes the payment. The Act is a follow up to a previous statute that established the Chippewa Cree Water System Operation, Maintenance, and Replacement Trust Fund. Total authorization for the Fund is \$15.0 million.

The Colorado Ute and the Zuni Water settlements will be completed in 2006 and will not require funding in 2007. The Quinault Indian Nation land settlement has only a small funding requirement remaining in 2007. Reductions for these projects of \$23.1 million offset the increases requested for the new settlements.

SNAKE RIVER WATER RIGHTS

This framework agreement clears the way for a long-term public water policy for Idaho and enables the United States to fulfill trust responsibilities for the Tribe.

Secretary Gale A. Norton, May 15, 2004

We are pleased at the progress that has been made in resolving these difficult issues. The process can now move forward to closure with new momentum, for the benefit of all concerned.

Nez Perce Tribal Executive Committee Chairman Anthony Johnson, May 15, 2004



PROTECTING LIVES, RESOURCES, AND PROPERTY

Collaboration lies at the heart of our fuels reduction and fire program including community wildlife protection plans and multi-agency firefighting.

Deputy Secretary P. Lynn Scarlett, July 14, 2005

WILDLAND FIRE MANAGEMENT

The Department of the Interior's 2007 proposal for the Wildland Fire Management program continues implementing the National Fire Plan and the President's Healthy Forests Initiative. Interior's fire bureaus, working with the Forest Service and State and local partners, will continue meeting the Department's Strategic Plan goal of reducing risks to communities and the environment from wildland fires.

Since adoption of the National Fire Plan, significant investments in preparedness resources have strengthened initial and extended attack capability. Combined with on-going improvements in management and operations, these investments have led to significant long-term improvements in Interior's firefighting capability. The Department's success rate for containing wildfires at initial attack was 92 percent in 2000. Compared to its 2004 goal of 95 percent, Interior contained 98 percent of fires on initial attack. In 2005, Interior again exceeded its goal by containing 97 percent of fires on initial attack. Success on initial attack prevents the emergence of large-scale, catastrophic fires and is the single most important factor in avoiding high costs for fire suppression. Interior anticipates that it will maintain at least a 95 percent success rate in 2007.

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The Department has also made substantial progress in addressing the threat posed by heavy fuels buildup through the hazardous fuels reduction program. Over the last five years, 2001 – 2005, the Department has treated nearly 5.6 million acres with National Fire Plan funding. By contrast, in the five years preceding the National Fire Plan, Interior bureaus treated fewer than 2.7 million acres. The annual average of 1.1 million acres treated since 2001 approaches two and one-half times the amount treated in 2000, the last year before adoption of the National Fire Plan.

The management and effectiveness of the hazardous fuels reduction program have also improved, with treatments more effectively targeted to maximize risk reduction. Treatments in the wildland-urban interface have grown from 22 percent of acres in 2001 to nearly 44 percent of projected acres in 2006.

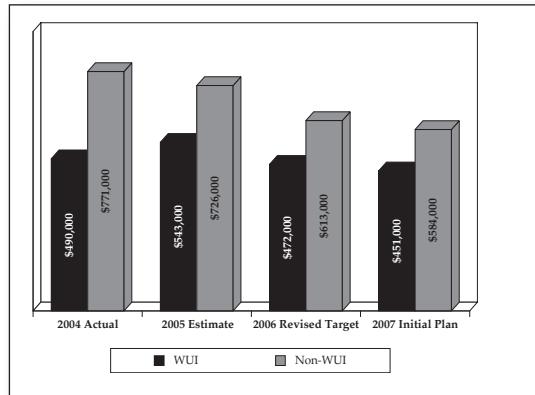
The 2007 budget for hazardous fuels is \$199.8 million, compared with \$208.1 million in 2006 and \$201.4 million in 2005. The Department estimates it will treat 1.035 million acres in 2007. The Department will continue to strive for effectiveness in maximizing risk reduction through improvements in the program's project prioritization and selection process. Through improved collaboration with partners and increased utilization of LANDFIRE mapping technology to better identify areas at risk, the program more precisely targets fuels reduction projects to maximize their benefits. Additionally,

INITIAL ATTACK SUCCESS

TARGET: Percent of Unwanted Fires Contained at Initial Attack

	2005	2006	2007
Percent	95	95	95

HAZARDOUS FUEL TREATMENT ACRES



the Department anticipates a reduction in fuels treatment costs due to stewardship contracts and other arrangements that allow contractors to utilize small diameter woody biomass produced as a by-product.

Ready-Reserve—The National Fire Plan requires effective collaboration with local fire departments. Local fire departments serve as initial responders in nearly 90 percent of all wildland fires across the United States. This coordination has helped constrain the cost of Interior's preparedness and suppression efforts. Local firefighters can be mobilized more economically than Federal and contractor firefighting resources, which often have to be transported long distances and paid at higher rates. The success of this collaborative partnership depends on local fire departments' capability to assist in initial and extended attack.

In 2006, the Department is building upon the success of its past efforts to work with local firefighters by preparing local fire departments to undertake both initial attack on small fires and to assist in initial and extended attack on large fires as well. Using \$1.9 million from the preparedness program



and a portion of the 2006 Rural Fire Assistance funding, the Department is providing training and personal protective equipment to local and volunteer firefighters. The ultimate goal of the ready-reserve concept is to develop local Type III teams. In 2007, the Department will continue to implement the ready-reserve initiative with the \$1.9 million in preparedness program base funds.

The 2007 Interior budget terminates the Rural Fire Assistance program. The Department will continue ongoing efforts to work with the Department of Homeland Security to meet the needs of rural fire departments for basic training and equipment through the DHS Assistance to Firefighters grant program. The Department recently updated an existing agreement with DHS that will ensure a greater role for the wildland fire agencies in reviewing and issuing grants to States through programs they administer.

Suppression Cost Containment—The 2007 budget proposes to fund fire suppression operations at \$257.0 million, an increase of \$26.3 million over the 2006 enacted level to reflect the ten-year average cost of fire suppression.

Interior remains concerned about the high costs of wildland firefighting and continues to look for opportunities to contain suppression costs. Continued progress in reducing hazardous fuels loads and maximizing the effectiveness of these efforts through the utilization of the LANDFIRE technology will help restrain future suppression costs. Improved planning for preparedness resources will also help restrain future suppression costs. In 2007 the Federal wildland fire management agencies will continue developing and implementing the Fire Program Analysis system to provide input into cost-effective preparedness planning.

The Wildland Fire Leadership Council has made management of suppression costs one of its highest priorities. The Council has recommended, and agencies have taken, a number of actions to better understand the cost drivers for fire suppression, generating information now used to revise policies and operational procedures to better manage suppression costs.

In 2003 and 2004, Interior and the Forest Service conducted large fire management and cost reviews at most large incidents. These reviews, each of which focused on a single event, provided insights that led to specific changes in the management of

fire incidents. Now, for example, incident business advisors and contract officer representatives are assigned to all large fires. These advisors help line officers understand the cost implications of fire-fighting options and provide oversight to prevent oversupply or ineffective cost actions.

In December 2004, the Wildland Fire Leadership Council adopted a package of strategies for suppression costs management. These strategies are based on recommendations of the WFLC-chartered Strategic Issues Panel on Fire Suppression. The



strategies are wide ranging and offer a number of institutional and management changes across the sequence of activities that make up a large fire suppression effort. The strategies include improved land planning to consider cost issues, better data collection and analysis methods to offer improved foundations for decisionmaking, and greater cooperation between Federal wildland fire management agencies and the communities they serve.

Over the last year, seven interagency cost-action teams have been working on implementation of the costs management strategies. Each of the seven teams has developed an ambitious work plan with milestones, action items, deliverables, and due dates. The work of the seven teams is guided by an executive leadership committee. Additional guidance and actions are expected to be in place for the next fire season as a part of this long-term effort to stabilize large fire costs.

The following are examples of cost management strategies being pursued by the Departments of Agriculture and the Interior through the cost action teams.

- The Departments are employing expert review teams to observe how strategic decisions made early in an incident affect wildland fire suppression costs.
- Forest Service economists are testing predictive cost models for both agencies to see if suppression budget allocations can be modified for the future.
- The linkages between land and resource management plans and the role of fire are being strengthened to better ensure appropriate use of wildland fire and tailor land management decisions to incorporate fire risk considerations.
- The Departments are strengthening coordination with local firefighters, who are first responders on initial attack for the majority of wildland fires, including those on Federal lands.

Some of these measures were already underway prior to creation of the cost action teams, but the teams were subsequently assigned to guide their implementation.

SUPPORTING THE U.S. PARK POLICE

The terrorist attacks of September 11, 2001, dramatically changed the responsibilities of all Federal law enforcement agencies. The threat of attacks on icons administered by the National Park Service became an issue of serious national concern. Attention turned to the U.S. Park Police as the entity primarily responsible for protecting the most likely icon targets. At the same time, the Park Police were expected to continue providing a broad range of traditional law enforcement services in the three locations in which they operate: Washington, D.C., New York, and San Francisco.

The 2007 budget proposes an increase of \$2.8 million to address both icon protection responsibilities and traditional law enforcement services. The request is based on a new strategic plan that has resulted in a realignment of the force to focus on highest priority mission responsibilities.

In August 2003, the Secretary directed a comprehensive internal effort to complete the task of clearly

defining the mission, priorities, and responsibilities of the Park Police. Closely coordinated with the National Academy of Public Administration, the internal review prioritized each function of the USPP and focused the USPP on the NPS core law enforcement needs.

A new USPP strategic plan and mission statement emphasizes the security of national icons and special events occurring on the National Mall, the safety of national park visitors and employees, and protecting natural and cultural resources. The result is a redeployed force that addresses icon protection needs; more appropriately shares duties with other Federal, State, and local law enforcement agencies; seeks reimbursement as appropriate; and uses civilian personnel instead of sworn officers to coordinate some functions.

Over the long term, the Department's analysis recommends reaching a steady state level for the force of 639 officers. At the end of 2005, the force had 603 officers. Because of the measures instituted as an outcome of the NAPA study and the internal review, sworn officer strength needs can be met at the 639 level as compared to an estimated 771 officers that would have been required without these measures.

The 2007 budget proposal includes an increase of \$755,000 that will allow the Park Police to recruit and train larger recruit classes, sustaining a force of 613 sworn officers. The remaining increase will expand the force to 620 officers by the end of 2007, with \$948,000 dedicated to national icon security and \$1.1 million for highest priority police operations.



SAFETY IN INDIAN COUNTRY

A safe community with a sufficient number of trained and equipped law enforcement officers is critical to Tribes achieving self-sufficiency and economic success. This goal becomes particularly challenging given the breadth of BIA responsibilities for law enforcement.

Indian Country comprises 56 million acres of land and 1.6 million people. Existing data show that Indian Country has 1.75 law enforcement officers per thousand people served, compared to 4.2 officers per thousand people in comparable rural communities.

The BIA supports 201 law enforcement programs, including 47 that are bureau operated and 154 that are tribally operated. These programs serve Indian communities in 35 States. Each law enforcement program typically includes uniformed officers, a criminal investigations capability, detention facilities, telecommunications and dispatchers, and administrative support.

One of the largest challenges facing the BIA law enforcement program is violent crime. The violent crime rate in Indian Country is twice the national average. Tribes are less able to attract businesses or ensure citizen safety on reservations where the crime rate is high. Indian communities spend approximately \$83 in public safety funds on each resident compared to \$101 - \$104 spent on each resident in non-Indian communities.

The 2007 budget requests \$1.8 million for BIA law enforcement officers and equipment to be allocated to locations with the most serious crime. The BIA is

currently undertaking a workforce analysis of Bureau operated law enforcement programs to ensure that the additional funding will have a direct impact on reducing violent crime, decreasing the illegal drug trade, and reducing other crime in Indian Country.

Another of the highest priorities for BIA law enforcement has been to provide staff for the new detention centers funded with Department of Justice grants. The BIA expects that the construction of two detention centers, Standing Rock and Yankton Sioux, will

be completed by 2007. The budget includes \$2.7 million for operations of these new detention centers.

The BIA law enforcement program also includes the public safety and justice construction program. In 2006, funding for this program doubled to \$8.1 million to address deficiencies at existing detention centers, as documented in the Department's Inspector General report, *Neither Safe Nor Secure — An Assessment of Indian Detention Facilities, September 2004*. Maintaining this level of funding in 2007 will allow the complete restoration of four detention centers and minor improvement and repair projects at several others.





SCIENCE FOR COMMUNITIES

Interior's USGS, the Nation's premier earth sciences agency, generates scientific information that helps inform decisions about land and water management. Its hazards monitoring helps reduce risks to communities associated with earthquakes, tsunamis, floods, mudslides, and volcanoes.

Secretary Gale A. Norton, March 2, 2005

Science forms the foundation of Interior's land management decisions, supporting work to protect and use resources, enjoy recreation opportunities on our Nation's lands, and serve our communities. Research provides information critical to better understand many of Interior's complex issues. The ability of land managers to address a range of issues depends on the knowledge garnered from reliable information, accessible earth science data, and associated tools and technologies. Interior is improving the response to these science needs by developing a process to prioritize the research, monitoring, and assessment capabilities of all the bureaus within the Department.

The U. S. Geological Survey serves as the Department's primary source of scientific research, earth and biological sciences data, and geospatial information. The USGS provides science that addresses the Nation's complex land and resource management problems and protects lives and property. The ultimate outcome is scientific information that enables decisionmakers to make informed decisions, set priorities, reduce risks from material and natural hazards, and monitor land conditions.

The 2007 budget proposes \$944.8 million for USGS science-related initiatives to protect lives and resources and provide scientific leadership through improved hazards detection and warning; improved energy research; streamgaging; and USGS participation in the Landsat Data Continuity Mission known as Landsat 8.

The Department continues to improve its science programs. During 2005, Interior established a Research and Development Council to coordinate

scientific research and development activities across the Department. The Council is comprised of senior R&D managers and budget representatives from across the Department and meets quarterly to plan, coordinate, and assess R&D activities. During its first year, the Council defined "research and development" for the Department and used this definition to inventory and assess research and development programs; established guidelines for peer review consistent with Office of Management and Budget criteria and guidelines; coordinated the Department's report on technology transfer; and coordinated a multi-bureau gas hydrates work plan. In 2006, the Council began to review current research and development practices and will make recommendations to improve consistency and collaboration and avoid duplication.

The Office of Science and Technology Policy has established a set of R&D investment criteria that address the planning, management, and assessment of research programs by rating their relevance, performance, and quality. Both the Department and bureaus used these investment criteria in the 2007 budget formulation process.

Interior bureaus have undergone 11 PART reviews using R&D investment criteria. All 11 have rated the programs under review as moderately effective or better.

Multi-Hazards Pilot Initiative – More Americans are at risk of experiencing severe impacts of natural hazards now than at any time in the Nation's history. Hurricanes Katrina and Rita underscore the scale of damage such hazards can present. Each

decade, property damage from natural hazards doubles or triples in constant dollars as more people live on coasts and other hazardous areas. An estimated 75 million Americans in 39 States face significant risk from earthquakes. Coastal population growth and associated infrastructure have quadrupled in the last 30 years, with more than 45 million people now living in hurricane-prone areas. Landslides cause billions of dollars in property damage each year. Average annual losses from floods and earthquakes exceed \$12 billion per year.

Addressing these risks is a high priority for USGS. Ensuring community and public access to critical scientific information regarding natural hazards can improve decisionmaking and the ability of jurisdictions to manage public risks. In analyzing how best to enhance Interior's ability to assess, monitor, and report on natural hazards, USGS



listened to the needs of customers and partners. The USGS also participated actively in the Program Assessment Rating Tool evaluation of the bureau's geologic hazards programs. The PART action plan that resulted from this process calls for USGS to identify opportunities to coordinate hazards investments across landslide, earthquake, and volcano activities.

In April 2005, *Time Magazine* released a special issue with the cover title "The TIME 100: The Lives and Ideas of the World's Most Influential People." Brian Atwater, a USGS scientist, is featured in the category of scientists and thinkers. Brian earned his place on the list from a seemingly humble place, a well-used aluminum canoe.

The *Time* article describes how Brian paddled around the salt marshes and tidal flats of Washington State, discovering evidence of past tsunamis. Brian was studying the 600-mile-long Cascadia Subduction Zone that was once thought by some to be relatively harmless, but his finding helped demonstrate that the fault line is capable of producing powerful earthquakes and tsunamis that can infiltrate and change the landscape of Washington and travel across the ocean, inflicting widespread damage to distant shorelines.

The USGS geologic hazards program received a moderately effective PART rating, based on evidence that the program could demonstrate progress toward some long-term goals. The review also pointed to opportunities for improvement, clearly requiring both a change in program direction and increased leveraging of resources through partnerships. The USGS addresses these opportunities in its 2007 proposal for a multi-hazards pilot initiative in Southern California that will create synergies across USGS's various hazards programs. The initiative includes a \$2.2 million increase that will be leveraged with \$3.5 million redirected from workforce restructuring in the geology program and lower priority activities within other hazards-related and geospatial programs.

The pilot will concentrate on hazards reduction in Southern California by enhancing research and assessment into the causes and consequences of natural hazards and improving responses to hazard events. The initiative will merge information about disparate hazards into integrated products to support land-use planning, hazards mitigation, and emergency response. The initiative will also focus on information sharing with the local community to help prepare for and recover from natural disasters.

Southern California was chosen for this project as it has one of the Nation's highest potentials for

extreme, catastrophic losses from several natural hazards, including earthquakes, tsunamis, fires, landslides, and floods. The pilot stage of the initiative is expected to last five years, with successfully demonstrated capabilities ready for expansion to



additional regions after the first year. Examples of these capabilities include a warning system prototype for debris flows being developed in partnership with the National Weather Service, improved seismic and streamgage network capabilities, and a suite of integrated hazard-assessment tools.

The hazards initiative builds on advances in science and technology that position USGS as a leader with potential to reduce the Nation's future risks. By working with local land-use and emergency managers, USGS will adapt its scientific information into useful assessment and warning products to be made available through geospatial systems already in use. Delivering these products when and where they are needed can help prevent hazard events from becoming catastrophic disasters.

The initiative also highlights the importance of strong partnerships. Dozens of partners, representing user communities, will assist in leveraging work and collaborate in the development of USGS information products needed to upgrade building codes and strengthen local emergency planning efforts. These partners will assist in improving the data delivery systems for early warning of natural disasters. Approximately 25 percent of the funding for the initiative will be leveraged with external resources and expertise to provide services and products in the most efficient and cost-effective manner.

Streamgages – Information on the quantity and timing of stream flow in the Nation's rivers helps safeguard lives and property and ensure adequate water resources for a healthy environment and

economy. Knowledge of the flow of water in the Nation's streams and rivers plays a critical role in flood protection, water supply, pollution control, environmental management, and recreational enjoyment. Since 1887, USGS has operated a streamgaging program to collect stream flow information needed by Federal, State, and local agencies, as well as individual citizens.

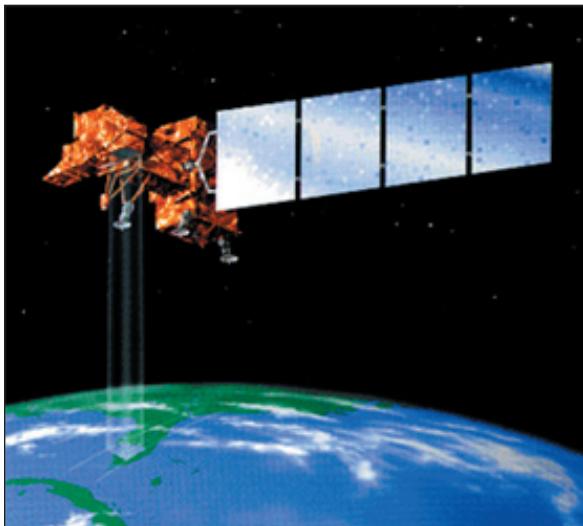
Today, USGS operates and maintains approximately 7,000 streamgages that provide long-term, accurate information for diverse users. These streamgages are part of the National Streamgage Network which consists of a core of USGS funded and operated streamgages; streamgages operated by the USGS but funded in cooperation with other agencies; and streamgages funded and operated by other agencies that provide data appropriate to meet national goals. Altogether, 800 agencies at the Federal, State, tribal, and local levels participate in funding the National Streamgage Network.



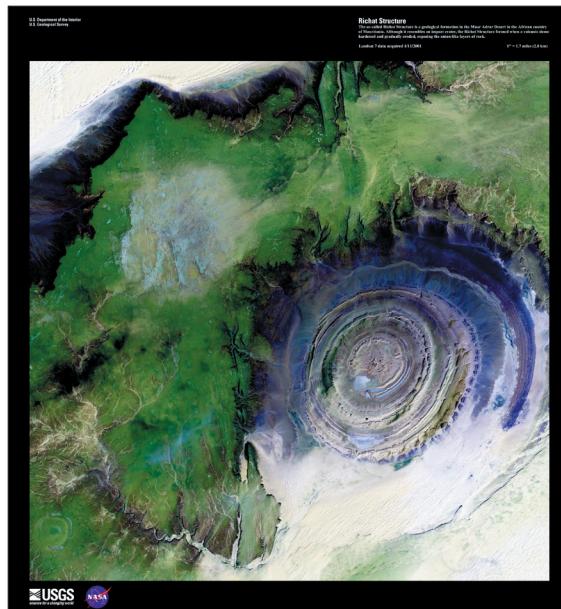
The 2007 budget requests an increase of \$2.3 million for the streamgaging program, which will enable USGS to increase the number of streamgages providing real-time data on the internet by 30, and maintain the operation of the current network. The USGS anticipates that the funding requested for 2007 will help to maintain or increase streamgage coverage in Mississippi and Louisiana, where the importance of timely streamgage data was made apparent during and after Hurricanes Katrina and Rita. In addition, the funds would provide resources for technological investments that will make the entire network more cost-efficient in the long-term. These include procurement or development of improved software for data collection and data processing and new instruments that are more reliable or make the data collection process more efficient.

Landsat 8: Landsat Data Continuity Mission—For over 30 years, Landsat satellites have collected data about the Earth's land surfaces. These data constitute the longest continuous record of the Earth's surface as seen from space. By imaging the Earth's land environment at a resolution sufficient to record the impacts of human activities, Landsat provides an important complement to U.S. global imagers, such as those run by the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration.

The first satellite in the Landsat family, Landsat 1, was launched in 1972. The most recent, Landsat 7 launched in April of 1999, continues to collect data though data utility has declined due to the failure of the satellite's scan line corrector. Landsat 5, which has performed since launch in 1984 and is well past its three-year projected life span, is now experiencing its own set of problems that could limit its utility.



The Landsat Data Continuity Mission, a partnership between NASA and USGS to build, launch, and operate a new satellite (Landsat 8) is the next phase of the Landsat program. Landsat 8 will acquire and deliver highly calibrated, medium-spatial resolution, remotely sensed data that will provide for the continuous collection of Landsat data, including the Earth's landmasses, coastal boundaries, and coral reefs. Landsat 8 will also ensure that the data collected and distributed to users meet the scientific objectives of monitoring



changes in the Earth's land surfaces and associated environment. The USGS role will be to operate Landsat 8 after its launch and implement and operate ground systems to collect, archive, process, and distribute land surface data to the Federal government and other users.

In 2006, USGS received \$8.1 million to start the design of the ground system components needed to acquire, archive, produce, and distribute Landsat 8 data. The USGS estimates that it will take four years, 2006 through 2009, to design, build, and test the proposed system, at a total cost of \$73.8 million. In 2006, USGS will work with NASA to develop, evaluate, and award a request for proposals for Landsat 8. The satellite is currently scheduled to launch in early 2010.

The 2007 budget requests an additional \$16.0 million to complete all of the design and 27 percent of the development activities needed for the ground system. The USGS plans to conduct the following activities in 2007 to reach this goal: design reviews and development of the Landsat 8 ground system elements, determination of the suite of Landsat 8 products to be offered to customers, and initial development of the Landsat 8 ground system test plan. Throughout this process, USGS will work closely with NASA.



Management Excellence

How well we manage facilities, financial reporting, information technology, and other basic administrative functions significantly affects our ability to serve the public effectively and efficiently.

Deputy Secretary P. Lynn Scarlett, March 9, 2005

As manager of over 500 million acres, Interior's mission lies at the confluence of people, land, and water. How well Interior employees do their jobs affects many aspects of American life, including whether farmers can irrigate their fields; families can warm and cool their homes with affordable, reliable energy; Indian children receive quality educational opportunities; visitors can enjoy the grand vistas of the Grand Canyon; and communities can avoid risks from natural hazards.

With this multifaceted mission and a diverse and complex set of responsibilities, Interior is accountable to the American people to provide responsive, efficient, and cost-effective services. With our responsibilities come inspiring experiences, but also challenges. These challenges include the complexities of:

- Managing one-fifth of the land mass of the United States.
- Providing access for energy, visitation, and other uses.
- Conserving natural and cultural resources for future generations.
- Upholding our trust responsibilities to Indians, Alaska Natives, and affiliated island communities.

Our challenges also encompass the complexities of managing a workforce of 70,000 employees and 200,000 volunteers operating at 2,400 locations, maintaining 46,200 buildings, equipping our employees with modern systems, and creating a workplace that promotes effective and efficient service delivery.

Although the details of the respective missions of Interior's eight bureaus differ, the central focus is the same. Excellent performance requires mission clarity, good metrics, and management excellence—the 3M's of performance management. Programs also must demonstrate responsiveness to growing public demands for greater transparency, accountability, effectiveness, and efficiency.

Mission clarity and metrics are defined through the Department's strategic plan, which includes a common set of goals under four mission areas — resource protection, resource use, recreation, and serving communities. The Department tracks its performance within these mission areas, with an emphasis on collaborative, Department-wide outcomes. In 2005, the Department met or exceeded 69 percent of its 214 performance measures, an increase of nine percent from 2004. In pursuit of management excellence, the Department seeks to improve these results with:

- The right people with the right skills.
- Strategic management: integrating budgets and performance.
- Structuring services for better performance.
- Managing information.
- Tracking our finances.

Management excellence requires maintaining and enhancing program results, making wise management choices within a context of constrained resources, routinely examining the effectiveness and efficiency of programs, and working smarter. Success depends on a continuing ability to find effective means of coordinating and leveraging available resources and the continuous introduction and evaluation of process and technology improvements.

It is through these management strategies that the Department can maintain its performance levels and improve performance levels in high priority areas, while still meeting the President's plan to reduce the deficit.

THE RIGHT PEOPLE WITH THE RIGHT SKILLS

Management excellence requires that we have the right people, in the right place, with the right tools, systems, information, and incentives. In the final quarter of 2005, the Department achieved a "green" in status on the Office of Management and Budget's human capital scorecard, reflecting implementation of all the standards for success outlined by OMB and the Office of Personnel Management. This achievement is a result of completing a comprehensive human capital strategic plan; linking performance appraisal plans to strategic goals; continually updating and using workforce plans and succession strategies; sustaining diversity throughout the Department; and having an effective accountability system in place. Maintaining green status will require continued vigilance in addressing human capital management challenges, such as closing competency gaps and implementing pay for performance training. The Department also must ensure the safety, health, and general well-being of employees, volunteers, and visitors.

INTERIOR'S OUTSTANDING RESULTS FOR 2005

- Reclamation met its performance goal for the year by delivering 28 million acre-feet of water to citizens of the western States, enough to supply 32 million families of four with their water requirements for an entire year.
- Online recreation transactions dramatically increased to over 130,000 transactions, exceeding the performance target of 103,500 transactions.
- The Wildland Fire Program set a new record, removing hazardous fuels from more than 545,000 acres of wildland-urban interface areas, a critical factor in controlling and reducing wildland fires and their impact.
- The USGS helped its partners to achieve their goals, as reported by 95 percent of partners surveyed, of which 100 percent reported satisfaction with the accuracy, reliability, and soundness of the methodology used and 92 percent reported improved access to science information.
- The Department addressed invasive plant species on Federal lands, controlling 614,027 acres of known infestations, and restoring 383,478 acres of land and 1,313 miles of stream and shoreline to mitigate or eliminate the effects of these invaders.
- The Department reduced its backlog of forest and woodland areas in need of restoration and also offered 884 million metric board feet of timber for sale from Interior and tribally managed lands.

U.S. GEOLOGICAL SURVEY WORKFORCE ANALYSIS AND PLANNING

The USGS has been engaged in extensive workforce analysis and restructuring efforts to better position the bureau to address future science needs, including new avenues of research that currently are beyond their technical and organizational capabilities.

As a result of buyouts and early outs, USGS has been able to redirect 130 FTEs into high priority science programs. This translates into over \$13.0 million that USGS has used to help offset increased operational costs and fund important new and expanded science initiatives. In 2006, USGS estimates that at least 154 FTE will accept buyout and early out offers, resulting in cost savings that can be reinvested back into science programs.

In 2006 and 2007, USGS will continue restructuring efforts focusing on the National Geospatial Programs Office, the National Geospatial Technical Operations Center, water district offices, the Columbia Environmental Research Center, and the Geology program. In 2007, USGS will begin restructuring efforts associated with its regional functions. Future efforts will include an analysis of headquarters functions.

Pay for Performance Training — In order for any organization to efficiently and effectively accomplish its mission, every employee must know what is expected of them and how their individual efforts contribute to the broader agency mission. Managers must understand their role in helping employees reach their potential. In 2007, the Department, through the National Conservation Training Center and in coordination with all its bureaus, will develop and begin to deliver training for supervisors and employees that builds competencies in results-based performance management. The 2007 request includes \$1.8 million to develop training modules for supervisors and managers and to conduct pilot sessions. After the pilot is completed, the training will be implemented throughout the Department, integrated with existing training programs, such as supervisory training, leadership, and employee orientation courses.

Employee Safety — A safe and healthy workplace contributes to improved employee performance and, in turn, improved mission results. An unsafe workplace can divert resources from achieving mission goals as a result of injuries and compensation claims. Interior will spend \$57.0 million on workers compensation in 2007. Managing these costs requires both prevention and monitoring efforts.

Interior recently established and filled a workers' compensation program manager position to

develop an effective return-to-work program to ensure that each bureau and office is managing, tracking, and monitoring workers' compensation cases. The program's goals are to assist employees in returning to productive jobs, reduce overall workers' compensation costs, ensure that all bureau and office workers' compensation coordinators are fully trained, and ensure that Interior is in full compliance with Department of Labor laws and regulations. The Department's Safety Management Information System tracks and monitors injuries and illnesses.

In January 2004, President Bush expressed his commitment to the government-wide SHARE Initiative: Safety, Health, and Return to Employment for all employees. The Department supports the SHARE goals of reducing the rates of injuries and illnesses, and in 2005, reduced the injuries and illness incident rate from 2004 levels. Key prevention efforts that allowed this reduction included web-based training and designated awareness weeks, focusing on best practice sessions covering topics such as field safety issues and healthy behaviors. The Department continues to focus efforts on prevention strategies in a broad array of areas, including certifying collateral duty safety officers consistent with Occupational Safety and Health Administration standards, supporting a wildland fire medical program, working with the National Institute of Occupational Safety and Health on

PROGRAM ASSESSMENT RATING TOOL EXPECTMORE.GOV

During the past year, 20 additional programs were reviewed in detail using the Program Assessment Rating Tool. Under PART, the value of the program's purpose, the degree of planning, the effectiveness of management, and results are all evaluated. In this year's round of detailed assessments, 13 programs received a rating of adequate or higher. Developing effective performance measures is often the most challenging aspect of the PART process, and can readily lead to a results not demonstrated rating. Seven of this year's programs received a results not demonstrated rating and program managers will be working to determine how to better measure performance.

The ratings for the programs reviewed for the 2007 budget are shown below:

ACTIVITY/PROGRAM	RATING
BIA Dam Safety and Dam Maintenance	Moderately Effective
BIA Economic Development Guaranteed Loans	Adequate
BIA Housing Improvement	Results Not Demonstrated
BIA Operation and Maintenance of Irrigation Projects	Results Not Demonstrated
BLM Land Use Planning	Results Not Demonstrated
BLM Mining Law Administration	Results Not Demonstrated
FWS Endangered Species	Results Not Demonstrated
FWS Wildlife and Sport Fish Restoration	Results Not Demonstrated
MMS OCS Minerals Regulation and Compliance	Effective
NPS Visitor Services	Moderately Effective
NPS Technical Assistance	Adequate
NPS Concessions Management	Adequate
NPS Heritage Partnership	Results Not Demonstrated
Reclamation Safety of Dams Program	Effective
Reclamation Site Security	Moderately Effective
Reclamation Water Management – Operations and Maintenance	Adequate
USGS Biological Research and Monitoring	Moderately Effective
USGS National Cooperative Geological Mapping	Moderately Effective
USGS Biological Information Management and Delivery	Moderately Effective
Central Utah Project	Adequate

For a full presentation of all PART evaluations, see ExpectMore.gov, a new website that reports on Federal program performance and what is being done to improve results. Government-wide, there are nearly 800 program assessments available on ExpectMore.gov. ExpectMore.gov includes summary and detailed information on all PARTs completed in the first four years, including information on how the programs are performing and what they are doing to get better.

respiratory effects of smoke on fire fighters, and developing a plan for addressing the threat of an avian flu pandemic.

STRATEGIC ALLOCATION OF RESOURCES

With Interior's diverse mission, a central challenge is how to set priorities and allocate resources to achieve desired goals. Reliably achieving results for the public ultimately depends on having reliable and timely performance and cost information to support budget and management decisions. Key tools include the Government Performance and Results Act strategic plan and goals; the introduction of activity-based cost management across the Department; the use of OMB's Program Assessment Rating Tool; and bureau specific efforts such as the National Park Service's core operations analysis. In the second quarter of 2005, the Department progressed to yellow status on OMB's budget and performance integration scorecard as a result of achieving standards for PART ratings.

Activity-Based Cost Management — Activity-based cost management improves the Department's understanding of the cost of doing work relative to achieving strategic plan goals by capturing the costs of the work and relating the costs to goals and measures in the strategic plan. In 2005, the Department completed work on its ABC/M work activities and outputs, and on a hierarchy linking Departmental and bureau work activities. In 2006, the Department is developing a similar framework that will link the Department's strategic plan with bureau operational plans and link ABC/M work activities with strategic plan performance measures.

The following examples demonstrate the use of performance and cost information for better decisionmaking at Interior.

FWS Cost and Performance Management Framework — In formulating its 2007 budget, the Fish and Wildlife Service was able to use activity-based cost management data for the first time to help make budget decisions. In a process that emphasized the use of performance data in decisionmaking, FWS prioritized performance goals and evaluated potential budget scenarios based on the anticipated impacts to performance.

Reclamation in the 21st Century — The Bureau of Reclamation faces important challenges to ensure that its organization, workforce, equipment, policies, and procedures are prepared to meet its 21st Century water management responsibilities across the West. At Reclamation's request, the National Academy of Sciences' National Research Council conducted a review of Reclamation's organizational structure for performing its core mission of delivering water and generating power. The Council made a number of recommendations, including developing guidance and policy on outsourcing, management of Reclamation's laboratories, project management, and acquisition and contracting.

The Council's report calls for more in-depth analyses of the Technical Service Center and workforce and human resources. It identifies a number of alternative scenarios for managing Reclamation's construction and infrastructure responsibilities and supports the proposal to establish a design, estimate, and construction oversight office. Reclamation is developing an action plan to address the report's findings and recommendations.

NPS Concessions — The Concessions PART, which was conducted during 2005 in concert with the 2007 budget formulation process, received an adequate rating. The PART identified the need to improve concessions contract oversight. Specifically, the PART notes that while the concessions contract backlog has been reduced, more progress is needed, and additional resources are required to manage the program more effectively. Accordingly, the 2007 budget includes an increase of \$911,000 to improve concessions contracting oversight, including funding for skilled professionals to enhance facilities management, improve financial analyses for the concessions program, and reduce the concessions contracting backlog.

NPS Core Operations Analysis — Parks operate in a dynamic environment that requires that they periodically evaluate their practices to ensure that programs effectively and efficiently address priority purposes. The NPS's core operations analysis tool assists park managers in making informed management decisions to focus on functions that are essential to achieving mission goals and enhance effectiveness and efficiency.

In 2005, NPS completed analyses at 32 parks in the Intermountain Region; the Intermountain regional office; one park each in the Southeast, National

EFFICIENCIES ACHIEVED THROUGH CORE OPERATIONS ANALYSIS

- Rocky Mountain National Park set a goal to maintain base funds at a level equal to or below 80 percent for personnel services and fixed costs, as compared to the total budget. The park developed a five-year plan to reach this goal. Reaching this goal will provide the park with greater operational flexibility and management capacity to meet emergency needs, and increased service levels for essential activities. Based on the analysis, the park determined that it was feasible to close the Lily Lake Visitor Center and to reassign three FTE to other visitor centers in the park with higher visitation.
- Zion National Park reallocated \$30,000 in funding to more essential activities throughout the park by reducing the number of high-graded supervisors scheduled for differential pay or premium hours.
- Chickasaw National Recreation Area and Oklahoma City National Memorial worked collaboratively to conduct core operations analyses and determined that administration of both parks could be combined under one superintendent. This resulted in the elimination of one administrative officer position and one superintendent position. The parks used savings to meet core operational needs at Oklahoma City NM and to hire seasonal employees at Chickasaw NRA.
- The San Antonio Mission National Historic Site combined an administrative officer position and special projects officer position and eliminated a gardener position that was determined not to be essential to core operations. This resulted in a reduction of two FTE and a reallocation of \$150,000 to fund a ranger position and other high priority activities.

Capital, and Northeast Regions; and the headquarters office Administration directorate. The NPS plans to complete analyses for an additional 200 parks by December 2008. When finished, this will complete the review of more than \$1.0 billion in operating funds and 14,000 FTEs Service-wide.

approved competitive sourcing plan to review for possible competition appropriate commercial activities, completing competitions within established timeframes, and receiving OMB approval of its 2005 Federal Activities Inventory Reform Act inventory.

EFFICIENT AND EFFECTIVE SERVICE DELIVERY

Interior bureaus constantly search for ways to reorganize organizational structures and services for improved results. Interior expects all of its managers and staff to continually ask, "How can we perform this service in a more effective and efficient way?" Interior has demonstrated successful results through competitive sourcing and program specific re-engineering of business processes.

Competitive Sourcing — Interior achieved green status on OMB's competitive sourcing scorecard in March 2005. This achievement is a result of developing and implementing a four-year, OMB-

Competitive reviews provide a disciplined, periodic process to review and compare current operations with alternatives and provide information to answer important questions. Are operations the best they can be? Might a restructuring generate a more efficient organization? Might contracting free up resources that can be reallocated to other priorities? To date, Interior has studied 3,200 FTE with a projected \$7.0 million in annual cost savings. Department-wide, an additional 1,900 FTEs are currently being reviewed to determine suitability for additional competitive reviews.

Improving Efficiency through Electronic Government at MMS — Working to find better ways to do business, the Minerals Management Service has piloted a new electronic reporting system for lessees and operators to submit offshore well

EXAMPLES OF COMPETITIVE SOURCING RESULTS

- Reclamation initiated a formal competitive sourcing study of the Centennial Job Corps Center in Nampa, Idaho, comparing a proposed most efficient organization restructuring with private sector options. The Reclamation approach produced initial cost saving estimates of \$300,000 per year. The most efficient organization was implemented, with its first performance year ending June 30, 2005. Actual cost savings for the Department of Labor are now projected at \$400,000. In addition to cost savings, the revised structure has yielded improved performance. The restructured Center operated at or above the 90th percentile rating on Labor's Job Corps quarterly student satisfaction survey. The Center significantly improved its performance scorecard rating from 84th out of 118 centers to 59th out of 119 centers in the Nation.
- The BLM's standard review of road, facilities, and recreation maintenance operations in Oregon and Washington is the largest Interior competitive sourcing review to date. The review involved 176 FTE and resulted in estimated savings of \$1.8 million annually. The BLM's most efficient organization was selected as the service provider and began operation in 2004. The review has had benefits and identified best practices that can be applied elsewhere, including sharing road and maintenance crews between districts and maintaining a flexible work force through the use of temporary and term positions.

data. The new permitting and reporting system, called e-well, streamlines processes, reduces data redundancy, and improves the quality, timeliness, completeness, and compliance of the information exchange between MMS and the industry.

To implement the new system, MMS restructured six well permit and report forms and made them accessible electronically. Internet-based forms with automated help screens aid the operator in completing the forms accurately. The MMS has ensured the security of company proprietary data, and industry has been a willing partner to help improve the design of the system. Operators volunteered to test the system over many months, and through their input, the application was modified to enhance the ease of operation. The MMS analyses show the e-well permitting and reporting system could reduce processing time for the 20,000 applications each year by as much as 50 percent.

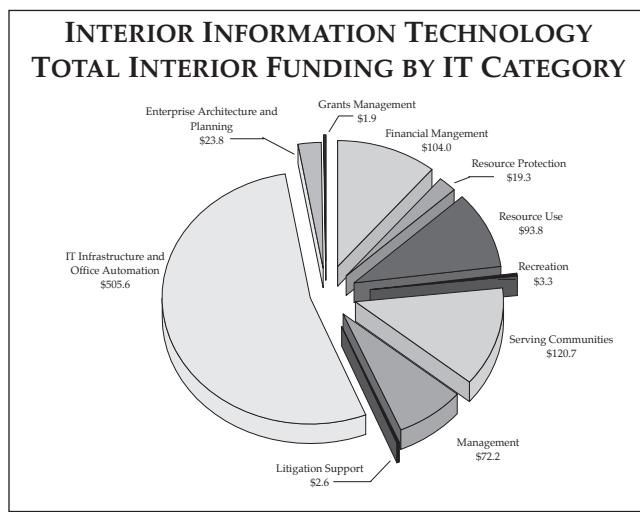
National Wildlife Refuge System Comprehensive Conservation Plans — The National Wildlife Refuge Improvement Act of 1997 mandated that a comprehensive conservation plan be completed for every station within 15 years of the passage of the Act or establishment of the station, whichever comes first. Currently, 554 stations are required to complete a plan by 2012. During 2005, FWS imple-

mented a number of streamlining procedures, such as clustering refuges and wetlands management districts that share geographic proximity into one plan and decoupling refuge acquisition planning from CCPs. This should allow FWS to complete the required plans on schedule and at a substantial cost savings. The 2007 budget includes a \$3.0 million reduction for CCP completion, reflecting the results of the new streamlined procedures.

BLM Cadastral Survey Indian Trust Improvements — The Bureau of Land Management is responsible for conducting all cadastral surveys on Federal and Indian lands. The BLM cadastral surveyors assist the Bureau of Indian Affairs in providing services to American Indian and Alaska Native beneficiaries and in resolving land boundary disputes. Timely resolution is needed in order to allow certain uses of the land or to proceed with land transfers. The BLM Cadastral Survey program is working with BIA to simplify and streamline the delivery of services to American Indian and Alaska Native beneficiaries by locating a BLM cadastral surveyor in each of the BIA regional offices. The surveyor will be on site to coordinate with BIA and the Tribes to assist in resolution of issues and facilitate the completion of accurate, legal boundary locations for trust assets.

EFFECTIVELY MANAGING INFORMATION AND SYSTEMS

The 2007 information technology portfolio demonstrates an increasing maturity in the Department's ability to manage its information technology investments. At the request level, the Department plans to spend \$944.7 million, an increase of \$14.3 million over 2006. The increase over 2006 is largely attributable to a \$16.0 million increase for Landsat 8. Within the portfolio, the Department has redirected savings and prioritized investments to meet the highest priority needs while continuing to emphasize the deployment of enterprise networks and systems, including the Enterprise Services Network, and the retirement of individual bureau legacy systems.



While the Department is currently rated as red in status on OMB's e-government scorecard due to e-government implementation and security issues, its e-government support and security posture has dramatically improved in the last year. The Department reached agreement with OMB on an e-government implementation plan, including its responsibilities under the disaster management and SAFECOM initiatives. The Department continues to prioritize IT security improvements, often required by new policies and regulations, while facing emergent and diversified threats.

Standardizing, Integrating, and Consolidating Infrastructure — The key to maturing IT operations is a standard, consolidated, and integrated

infrastructure. Interior made significant progress in 2005 to establish consolidated operations in networks and access controls. These integrated multi-year efforts will yield substantial long-term service improvements and cost savings that will allow redirection of resources both within the IT portfolio to support new investments, as well as within a bureau to meet critical program needs.

The 2007 budget demonstrates this, with budget changes proposed in the U.S. Geological Survey and BLM budgets. The USGS will achieve \$1.0 million in operational efficiencies in enterprise information technology as a result of economies achieved through centralization, consolidated software and hardware purchases, and realignment of the workforce. The BLM will be undertaking significant information technology reforms resulting in a budget reduction of \$9.4 million. The BLM proposes to improve the management of IT investments; enhance the security of IT systems and information; and realize short and long-term efficiencies and savings through consolidated purchases of hardware and software, and consolidation of support functions such as a help desk and e-mail support. The BLM will also defer system enhancements for systems that will eventually be replaced by Department-wide systems.

Enterprise Services Network — In 2005, Interior completed implementation of Phase I of the Enterprise Services Network, a modern, integrated network backbone that supports telecommunications within the Department. During 2006, all of Interior's bureaus and offices will complete their transition to managed services and will be operating on this system, which will provide access to the internet and a Department-wide intranet, and will be supported by a fully operational network operations and security support center. In addition to providing better services for Interior bureaus and offices, the system provides a more uniformly secure environment, standardized and efficient 24 hour / 7 day operations, and improved technical support.

During 2005, Interior began implementing Phase II by transitioning management of NPS, BLM, and the Office of Surface Mining wide-area networks to managed services, which simplify and modernize geographically dispersed and outdated architectures. These bureaus are already seeing service improvements. In 2005, the Department expanded secure connections to approximately 150 sites located primarily in large cities and ap-

proximately 500 other Interior locations. In 2006 and beyond, the Department will be expanding these secure connections to smaller offices and will begin implementing solutions for remote locations, traveling employees, and telework situations.

The ESN is also facilitating efforts to consolidate directory services, web hosting, messaging, data warehousing, help desk capabilities, and other applications and systems. It also establishes the foundation to implement the required new internet protocol version six technology. The 2007 budget includes \$22.3 million for ESN, a net increase of \$2.4 million over 2006, which will continue the establishment of connectivity to Interior bureaus and offices.

Messaging—The Department plans to implement a single enterprise messaging system, consolidating operations from hundreds of servers and three messaging applications that are independently managed by bureaus into a single, consolidated messaging solution. As a first step, bureaus have begun consolidating their existing messaging services. For example, NPS leveraged the network service improvements from ESN to enable significant reduction in the number of e-mail servers needed. The 2007 budget includes a \$2.1 million program increase to fund the messaging system project.

Active Directory—Active directory, or enterprise-wide access control services, provides a single, consistent source of information for e-mail addresses and other user information, and provides a sound foundation for future deployment of applications and systems. Centralized active directory services are now installed Department-wide. Bureaus are migrating their directories to the Department's directory services. Four bureaus have completed migration, and the remaining bureaus will complete migration in 2006. The 2007 request includes \$1.0 million to maintain a centralized active directory program. Active directory is also needed to deploy identification and electronic signature systems and applications, such as smart card and public key infrastructure, which are essential for compliance with Homeland Security Presidential Directive-12, as described below.

Homeland Security Presidential Directive-12—HSPD-12 requires that all government agencies develop specific and consistent standards for both physical and logical identification systems. With a short timeframe for implementation, the

HSPD-12 KEY MILESTONES

October 27, 2005

Personal Identity Verification-I registration, identity proofing, and issuance procedures in place.

October 27, 2006

PIV-II technical and interoperability system in place.

October 27, 2007

Access to local area networks through PIV-II card for all employees and required contractors and volunteers.

October 27, 2007

Access to National Critical Infrastructure and Level 4 physical facilities through PIV-II card for all employees and required contractors and volunteers.

directive mandates that agencies be able to verify the identity of employees, contractors, and certain volunteers for access to facilities and IT systems. The Department is in the process of establishing reliable and secure identification procedures based on a plan approved by OMB in July 2005. Interior has developed standards for an identity verification process and is conducting a pilot to test an automated process.

In 2006, Interior will deploy an automated process for security certification and accreditation. The goal for the next phase is to issue smart cards with appropriate credentials to employees and contractors after these individuals complete the personal identify verification process. Funding for HSPD-12 will be supported principally through the redirection of base resources in 2006 and 2007.

Land Mobile Radios—In 2005, Interior continued to work toward completing the replacement of narrowband radios, while leveraging opportunities to share resources among Interior bureaus and with State, tribal, and local governments. The Department's efforts to develop an interoperable network of communications technology, fill gaps in radio coverage, and support interoperability with partners builds on the government-wide SAFE-

COM initiative. That initiative focuses on the need for greater interoperability for first responders.

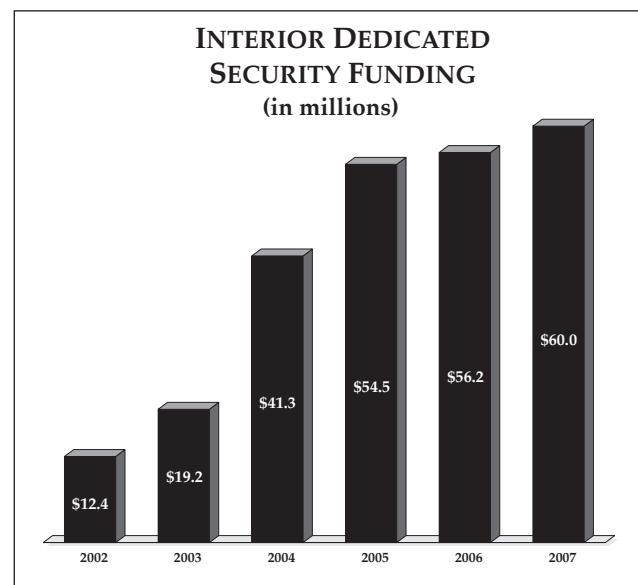
Key accomplishments in 2005 included completion of resource sharing arrangements in South Dakota and Florida, with potential for additional agreements in Montana and Wyoming. In 2006, Interior is initiating a radio sharing and interoperability study, focused on high priority locations such as the southwest U. S. border with Mexico. The study will point to the best opportunities for collaborative arrangements that will result in a shared Federal, State, tribal, and local network of communications and infrastructure. The study will also address dispatch center consolidation opportunities in order to improve the effectiveness of dispatch operations, ensure high priority areas and programs are adequately supported, and avoid redundant, overlapping dispatch centers. Interior has begun the process of identifying existing radio communications dispatch centers that could provide a wider area of coverage through the use of more efficient technology such as computer-aided dispatch, automated vehicle locator devices, satellite radio technology, and global positioning service equipment. The Department's 2007 budget includes \$39.2 million for radio systems.

Enterprise Acquisition — In 2006, Interior will continue its enterprise approach to acquiring common hardware and software products in order to achieve technical standardization, improved effectiveness, and cost savings. The Department has renewed the Microsoft enterprise agreement through September 2008, consolidating five separate agreements into one, expanding marketing and outreach for existing contracts through a revamped and updated internet storefront link, and defining the acquisition process to be used for establishing future enterprise agreements. In 2007, the program will be expanded to include additional agreements, which will result in more efficient and timely business processes. The budget includes \$270,000 to support this expansion.

Securing Interior's Information and Technology Assets — The Department continues to place a high priority on a robust information technology security program and is implementing improvements to the on-going program, while addressing new regulations and requirements. In 2006, the Department is deploying a more integrated approach by ensuring that the accreditation and certification of systems and applications meet standard requirements and more adequate documentation. The

2007 budget for dedicated IT security investments totals \$60.0 million, an increase of \$3.8 million over 2006. The 2007 budget builds on significant investments in IT security that have been strategically deployed to meet the requirements of the Federal Information Security Management Act of 2002. Consistent with the mandates of FISMA, Interior's spending on IT security has increased since 2002, from \$12.4 million to \$60.0 million in 2007. Not included within these amounts are IT security enhancements planned on individual systems and applications and enterprise efforts intended to enhance IT security, including ESN, messaging, and active directory.

Interior has a long-standing concern for the protection of its vital information and technology resources, dating from the issuance of the first computer security policy in 1980. The Department's IT security program has as its goal a level of security commensurate with the sensitivity of information and the risk and magnitude of harm resulting from improper use or losses. As "perfect" security with zero risks of disruption or penetration to IT systems



is neither practical nor economical, the Department's IT security specialists focus on achieving an optimum level of security by evaluating IT systems for threats and vulnerabilities, preparing a security plan for each system, testing each system for vulnerabilities, completing contingency plans to restore systems if they are compromised, and completing a certification and accreditation of those systems to provide a benchmark for determining adequate IT security.

In 2005, Interior leveraged ESN capabilities to initiate a robust vulnerability scanning process for its systems accessible from the Internet. Initial tests indicated thousands of potential vulnerabilities. By December 2005, all potential major, critical, and SANS Top 20 vulnerabilities identified through the scanning process were either mitigated or determined to be false positives. The SANS Top 20 vulnerabilities consist of the ten most commonly exploited vulnerable services in Windows and the ten most commonly exploited elements in UNIX and Linux environments, updated quarterly.

While Interior made significant strides in protecting its external perimeter, similar levels of security are not yet in place internally. In 2006, Interior initiated efforts to begin testing against internal threats to its systems and applications. These tests are expected to reveal many areas to focus additional security improvements.

As noted by Interior's Inspector General in the annual evaluation of Interior's information security program, the Department continues to make progress to improve the security over its information systems. Nonetheless, the IG noted additional improvements are still needed, particularly in network security and POA&M and certification and accreditation processes. Interior is committed to improving information security, in a risk-based, cost-effective manner, with a particular focus on improving internal system security.

WHAT IS A POA&M

The Federal Information Security Act and OMB guidance require that plans of action and milestones (POA&M) be established for identified security weaknesses. A POA&M is a tool that identifies tasks that need to be accomplished. It details resources required to accomplish the elements of the plan, any milestones in meeting the task, and scheduled completion dates for the milestones.

Security Program Maturity — Despite the significant challenges faced in 2005, Interior made progress in maturing its IT security program. The Department relies on the National Institute of Standards and Technology Special Publication 800-26,

Security Self-Assessments, as a means of measuring the effectiveness of system security controls and the overall maturity of the IT security program. The framework describes five levels of security status, based on evaluations in 17 control areas relating to management, operational, and technical security controls. An independent review rated Interior's IT security program at 3.63 on a 5.0 scale, significantly beyond its target of reaching maturity Level 2 in 2005.

IT SECURITY MATURITY LEVELS

- Level 1 – Control objective is documented in a security policy.
- Level 2 – Security controls are documented as procedures.
- Level 3 – Procedures have been implemented.
- Level 4 – Procedures and security controls are tested and reviewed.
- Level 5 – Procedures and security controls are fully integrated into a comprehensive program.

Managing Information Technology Investments

— The Department's Investment Review Board, a partnership of senior program executives and IT leadership, oversees decisions on the Department's IT investments. The key tools for managing and overseeing the portfolio are Interior Enterprise Architecture modernization blueprints and IT portfolio management. Modernization blueprints are roadmaps for change and help to identify gaps in Interior's IT portfolio that could potentially hamper the successful achievement of mission related goals and objectives. The blueprints also highlight system redundancies and identify opportunities for data sharing. The Department's 2007 budget includes \$12.5 million for enterprise architecture.

The Land and Resource Management system and Enterprise Geographic Information Management program are examples of investments approved by the Investment Review Board based on the results of the enterprise architecture and portfolio management process.

MODERNIZATION BLUEPRINT STATUS

Completed

Recreation
Wildland Fire
Law Enforcement
Financial Management

Underway

Land Management
Water Management
Trust Responsibilities
Human Resources
Information Technology
Geospatial Activities

Land and Resource Management System

— Interior's Land and Resource Management system is a major enterprise initiative supporting the Department's land and resource management business activities. The primary goals of the system are to maximize the effective use of resources, standardize business processes, and enable interoperability among Interior's land and resource use management programs. The DLRM will replace a combination of bureau-managed systems for land and resource management, and will meet an urgent need for consistent management information.

Business processes and rules, information requirements, and supporting data used by land and natural resource managers have significant similarities. The DLRM will be applicable to both Indian and Federal land and resource management programs, and will lead to the standardization of data collection and business processes across bureaus and programs. The DLRM directly aligns with Interior's goals and strategies, and has independently been identified in the fiduciary trust model and the trust modernization blueprint. The 2007 budget includes \$1.8 million for DLRM, in BIA and BLM, to continue preparation for implementation.

Enterprise Geographic Information Management

— Maps are an effective tool for communicating resource issues, and are critically important to activities conducted by Interior managers, the public, partners, and the academic community. Access to location based information is a key component of

decisionmaking about the availability of resources, response to emergency situations, and planning future development. Geographic information systems, which automate location based information, are widely used by Interior bureaus to draw inferences, trace relationships, and make connections, enabling much more effective decisionmaking. Interior's IT portfolio includes \$34.6 million in dedicated GIS IT investments annually. Through the Enterprise Geographic Information Management initiative, the Department is establishing a framework for standard and coordinated use of geographic information systems.

The EGIM will provide strategic leadership for GIS efforts within Interior. A Departmental team will guide standardization, implementation, and approaches to meet Department-wide needs for GIS information using coordinated systems and processes. In 2005, USGS began to blueprint EGIM, leveraging the capabilities developed through the Geospatial One-Stop project. In 2006, the EGIM project will complete the blueprint, begin the process to standardize training, and build a common geospatial knowledge base for effective data sharing. In 2007, the project will develop a process to

PARTNERSHIPS IN E-GOVERNMENT

Interior will continue to support the Administration's e-government initiatives in 2007. Budgeted payments to managing partners for 2007 include

E-Gov Projects

Business Gateway	\$249
E-Authentication	\$641
E-Rulemaking	\$615
E-Training	\$185
Grants.gov	\$521
GovBenefits.gov	\$135
Integrated Acquisition	\$470

Lines of Business

Financial Management	\$83
Human Resources	\$130
Management	
Grants Management	\$60
Total E-Gov Partner Payments	\$3,089

standardize the use of geospatial applications and software. The 2007 budget includes \$914,000 for EGIM, an increase of \$596,000 over 2006.

MANAGING OUR ASSETS

Interior's real property inventory includes approximately 46,200 buildings and 101,890 structures, as well as nearly every type of asset found in a local community. Many of these assets support Interior's mission, including many that have historic or cultural significance.

After the issuance of Executive Order 13327 on Federal Real Property Asset Management in 2004, the Department strengthened its asset management program with the creation of an asset management partnership that represents every bureau and many offices in the Department. Working through a collaborative process, the partnership has provided leadership in the development of the Department's first asset management plan, implementation of consistent definitions, a team charter. It has also provided a standard approach for conducting inventories and has laid the groundwork for a unified approach to standardize the systems and applications used for asset management.

Building on efforts that began in 2000 with creation of a five year deferred maintenance and capital improvement plan, the Department has now issued its asset management plan. The plan presents a strategic vision and plan of action for managing owned and leased buildings, structures, linear assets, motor vehicles, and non-stewardship land used for administrative purposes. The plan provides a guide for Interior managers on how to affordably and reasonably maintain and sustain the asset portfolio to achieve mission goals, and how to maintain a current, readily available nationwide property inventory.

In the first quarter of 2006, Interior progressed to a yellow status on OMB's scorecard on Real Property Management. The upgrade in status was attributable to the completion of required data for the Federal real property profile, reporting approximately 185,000 Interior managed real property assets into this government-wide database.

FINANCIAL MANAGEMENT

Interior has transformed its financial management with significantly improved and more timely reporting that relates spending to performance. The Department has achieved the following improvements:

- In 2001, time consuming and costly year end journal adjustments totaled 1,100. In 2005, these adjustments were reduced to 117.
- In 2001, five months were needed after the close of the fiscal year to complete audit and performance reports. In 2004 and 2005, reports were completed within 45 days.
- In 2005, Interior received a clean audit opinion with no new reported weaknesses, and reduced auditor reported material weaknesses by 50 percent from 2004, the greatest reduction experienced by any CFO Agency.

These improvements in financial management have occurred using existing, antiquated, hard to use, duplicative systems. This required extraordinary efforts on the part of the Department's financial managers who have developed manual and labor-intensive approaches to achieve results.

FIFTEEN YEARS OF FINANCIAL SUCCESS AT OSM

Fiscal year 2005 marks the 15th consecutive year OSM received an unqualified (clean) opinion on its financial statements. In fiscal year 1990, OSM participated in the pilot implementation of the audited financial statements requirement included in the CFO Act of 1990. Beginning with fiscal year 1991, OSM has received unqualified opinions on the annual financial statement audit every year. The OSM is the only bureau within Interior to meet this impressive milestone. Many of Interior's other bureaus have achieved remarkable records of success in financial management as well. For example, the BLM has received clean audit opinions for the last 11 years.

While the Department is currently rated as red in status on OMB's financial management scorecard, the status is largely due to the unique issues associated with Indian trust funds management.

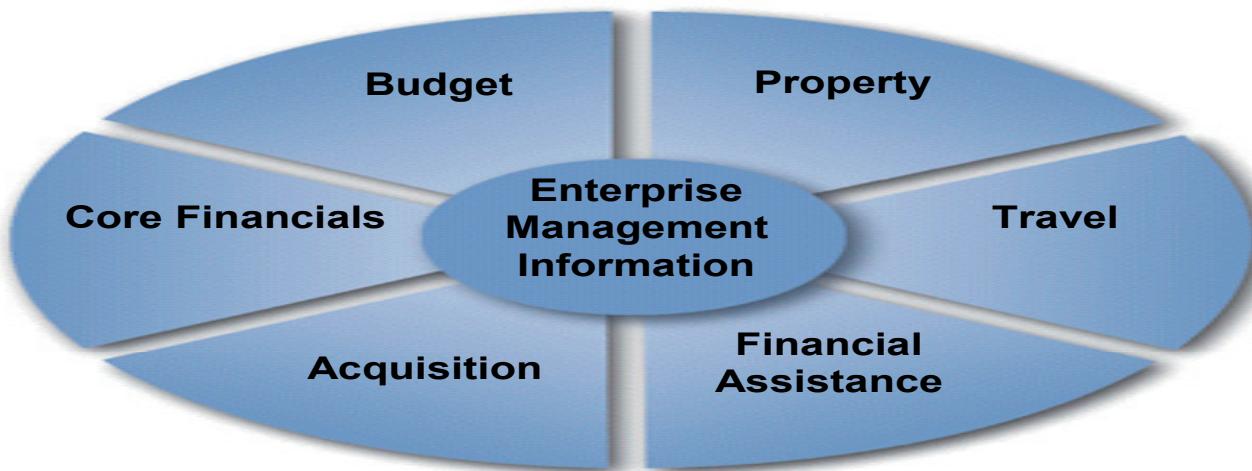
Financial and Business Management System

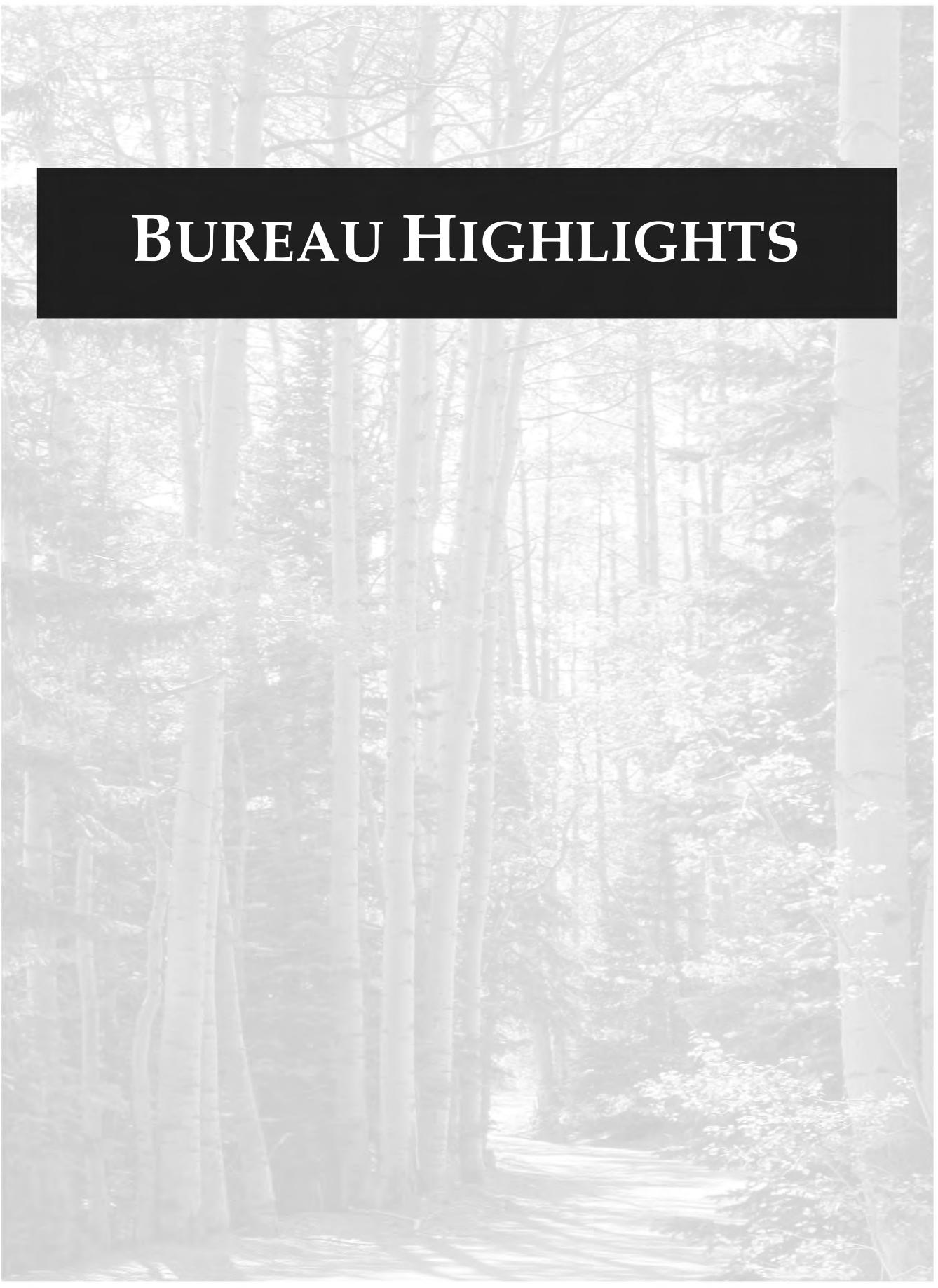
— Key to continued success in financial management and improved effectiveness and efficiency is implementation of the Financial and Business Management System. The FBMS will replace duplicative legacy systems currently in operation, including 27 acquisition systems, 16 finance systems, 43 vendor databases, and 107 property systems. It will integrate processes and systems to eliminate both redundancy and inefficiencies.

The FBMS is critical for meeting the future business needs of the Department, and is therefore a key component of the Department's financial management modernization strategy. Interior's objectives of standardizing data, business practices, and related technology; integrating currently fragmented processes; and improving responsiveness to internal and external customers can only be achieved by moving forward to replace current aging legacy systems with an enterprise solution.

The FBMS is charged with implementing the seven functions depicted in the accompanying graphic and their associated subsidiary functions. Collectively, these functions represent the Department's business architecture for the administrative management. The FBMS addresses all basic administrative management functions except for revenue collection, personnel and payroll, and facilities management.

The 2007 budget continues level funding for the FBMS at \$22.2 million. In 2005, the Department successfully deployed a grants management module and much of the necessary infrastructure needed for future deployments, including system configuration, business process standardization, and interface development. The FBMS project managers, working in close collaboration with an executive steering committee, comprised of senior staff from Interior's bureaus and offices, are drawing on the expertise and experience of other Federal and State agencies that have deployed financial and business management systems, are engaging a new system integrator, and are strengthening project management and oversight.



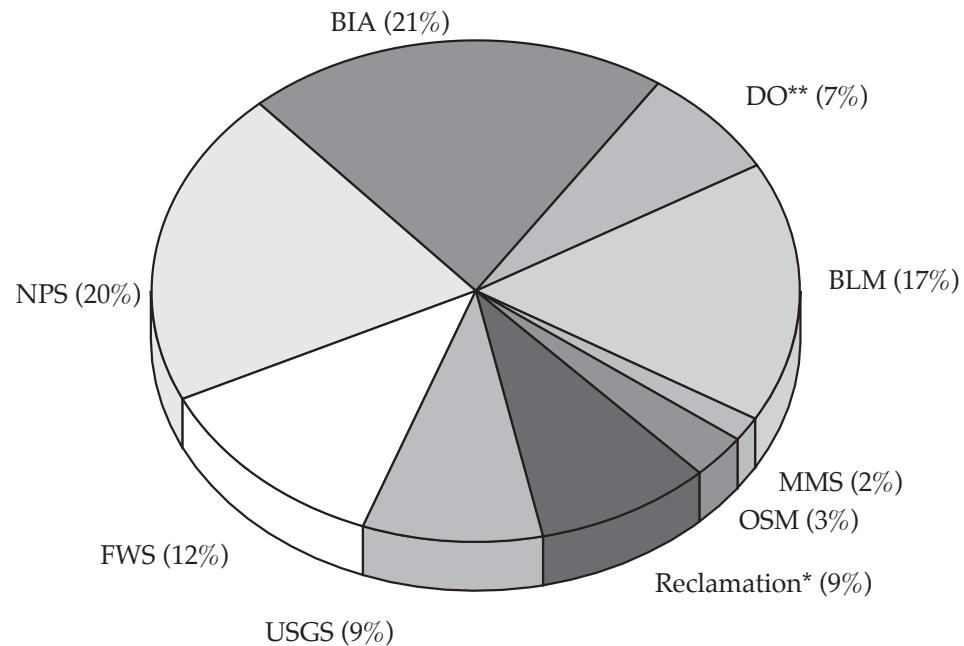


BUREAU HIGHLIGHTS

BUREAU HIGHLIGHTS

This section summarizes the budget requests of the bureaus and offices of the Department, comparing the 2007 request to the 2006 enacted budget. The graph below and the table on the following page show the allocation of the proposed 2007 budget authority to the bureaus and offices. Additional details on the Department's budget authority can be found in Appendix A.

FISCAL YEAR 2007 CURRENT APPROPRIATIONS



BLM	1,773	Reclamation*	924	NPS	2,156
MMS	164	USGS	945	BIA	2,222
OSM	298	FWS	1,292	DO**	754

* Includes Central Utah Project Completion Act

** Includes DM, PILT, OIA, SOL, OIG, OST, and NRDA

BUDGET AUTHORITY BY BUREAU

(in millions of dollars)

<u>Bureau</u>	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Request</u>	<u>Change</u>
<i>Current Budget Authority</i>				
Bureau of Land Management.....	1,830	1,754	1,773	+19
Minerals Management Service.....	177	158	164	+5
Office of Surface Mining Reclamation and Enforcement.....	297	294	298	+4
U.S. Geological Survey	948	965	945	-21
Fish and Wildlife Service	1,292	1,315	1,292	-24
National Park Service	2,311	2,256	2,156	-100
Bureau of Indian Affairs.....	2,293	2,274	2,222	-52
Departmental Offices:				
Departmental Management	322	372	327	-46
Insular Affairs.....	81	81	79	-2
Office of the Solicitor.....	52	55	57	+2
Office of Inspector General.....	37	39	41	+2
Office of the Special Trustee for American Indians	228	223	244	+22
Natural Resource Damage Assessment and Restoration	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>
<i>Subtotal, Departmental Offices</i>	<i>726</i>	<i>776</i>	<i>754</i>	<i>-22</i>
National Indian Gaming Commission.....	0	0	0	0
Bureau of Reclamation	967	1,021	884	-137
Central Utah Project Completion Act.....	<u>48</u>	<u>34</u>	<u>40</u>	<u>+6</u>
Total Current BA	10,887	10,848	10,526	-322
<i>Adjustments for Mandatory Current Accounts</i>	<i>-55</i>	<i>-52</i>	<i>-42</i>	<i>+10</i>
<i>Adjustment for Discretionary Offsets</i>	<i>-54</i>	<i>-44</i>	<i>-346</i>	<i>-302</i>
Total Net Discretionary BA	10,777	10,752	10,138	-614
<i>Total Budget Authority</i>				
Bureau of Land Management.....	3,257	2,858	2,824	-35
Minerals Management Service.....	1,811	2,569	2,645	+76
Office of Surface Mining Reclamation and Enforcement.....	363	351	349	-2
U.S. Geological Survey	950	967	952	-14
Fish and Wildlife Service	1,987	2,043	2,100	+57
National Park Service	2,627	2,572	2,506	-66
Bureau of Indian Affairs.....	2,388	2,394	2,329	-65
Departmental Offices:				
Departmental Management	322	373	327	-46
Insular Affairs.....	422	426	426	+1
Office of the Solicitor.....	52	55	57	+2
Office of the Inspector General	37	39	41	+2
Office of the Special Trustee for American Indians	452	464	492	+28
Natural Resource Damage Assessment and Restoration	<u>43</u>	<u>37</u>	<u>35</u>	<u>-2</u>
<i>Subtotal, Departmental Offices</i>	<i>1,328</i>	<i>1,393</i>	<i>1,378</i>	<i>-14</i>
National Indian Gaming Commission.....	10	12	13	+1
Bureau of Reclamation	1,070	1,103	971	-133
Central Utah Project Completion Act.....	<u>46</u>	<u>34</u>	<u>40</u>	<u>+6</u>
Total Budget Authority	15,839	16,296	16,107	-189

Notes: Numbers may not add due to rounding.

Amounts do not include the 2005 hurricane and drought supplementals nor the 2006 hurricane supplemental. See details in the explanatory notes accompanying Appendix A.



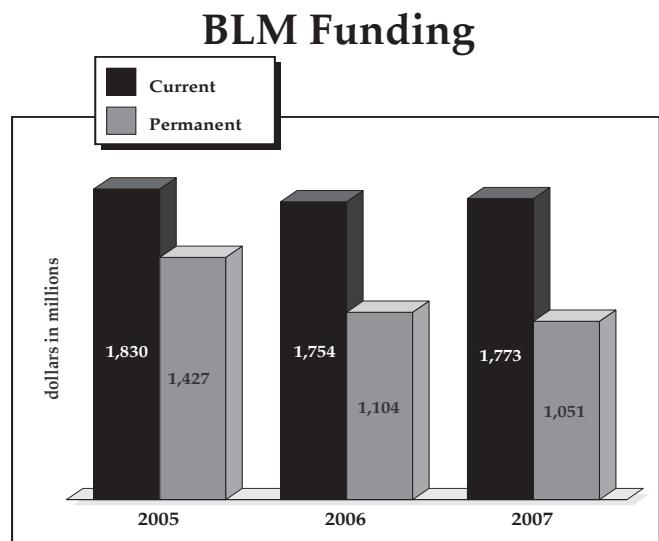
BUREAU OF LAND MANAGEMENT

Mission – The Bureau of Land Management's mission is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Program Overview — As the Nation's largest land manager, BLM is responsible for 261 million acres of public land — nearly one-eighth of all land in the United States. This year marks the 30th anniversary of the Federal Land Policy and Management Act, which gave BLM its comprehensive mission to manage the public lands for a variety of uses so as to benefit present and future generations. The BLM accomplishes this by managing for outdoor recreation, livestock grazing, energy and mineral development, and other public uses, and by conserving natural, historical, cultural, and other resources on the public lands.

Most of the country's BLM-managed public land is located in 12 western States, including Alaska. These lands, once remote, now provide the growing communities of the West with open space that gives the region much of its character. The bureau, which has a budget of nearly \$1.8 billion and a workforce of nearly 11,000 employees, also administers 700 million acres of onshore Federal mineral estate throughout the Nation.

The BLM customers are as diverse as the natural resources it manages. Public lands support an increasing number of visitors. In 2007, 58 million visitors are expected to participate in recreational activities such as wildlife watching, hiking, camping, hunting, and whitewater rafting. In addition, BLM programs provide access to resources that support the oil and gas and minerals industries, utility companies, ranchers, and the timber industry. The BLM conducts programs in partnership with States, Tribes, and local communities and with conservation groups and research scientists. Bureau management activities benefit recreational and traditional land users while contributing to the viability of State and local economies. In 2007, public lands will generate an estimated \$5.8 billion in revenues, mostly from energy development. Approximately 39 percent of these receipts are provided directly to States and counties to support roads, schools, and other community needs.



Management Excellence — In 2007, BLM will continue to vigorously pursue implementation of the President's management agenda for improving management and performance of the Federal government and practicing the Secretary's vision for citizen-centered management excellence. The BLM has demonstrated an outstanding record in financial management by receiving 11 consecutive unqualified ("clean") financial audit opinions. Key to BLM's success has been the availability of timely and accurate financial information made available to all employees through the bureau's management information system. The BLM is a leader in the implementation of activity-based cost management. The BLM implemented cost management in 2000 and now has six years of cost and performance data available in its cost management system. This information is used as a principal means to integrate budget and performance. The BLM will continue to aggressively collect and analyze cost and performance data to look for opportunities to further improve performance and reduce costs.

The BLM has also been working to improve management of its human capital resources. A comprehensive workforce plan was completed in 2003 and updated through

a programmatic review in 2005. A major revision of the plan will occur again in 2006, for the period 2007 – 2011, to factor in changes necessitated by the recently enacted Energy Policy Act and long-term strategic planning, organizational, and programmatic considerations. Workforce plans will continue to be integrated with BLM's budget planning system database, thereby better aligning resource allocation and performance.

Since BLM began competitive sourcing studies in 2003, it has achieved estimated savings of over \$9.0 million for the five-year period beginning in 2005. Most of these savings will accrue from implementing the most efficient organization proposal for maintenance activities in Washington and Oregon, which BLM estimates will save \$1.8 million annually in labor and equipment efficiencies.

To improve services to its customers, BLM is expanding electronic government. This includes implementing e-government initiatives such as Recreation One-stop and Geospatial One-stop.

Budget Overview — The BLM request is \$1.8 billion in current appropriations. This represents an increase of \$18.7 million over the 2006 enacted level. Major changes from 2006 levels include a net increase of \$19.6 million in BLM's main operating accounts, Management of Lands and Resources and Oregon and California Grant Lands, which will allow BLM to address its highest priority needs and commitments. The budget does not request appropriations from the mandatory Range Improvement Fund. Instead, a legislative proposal will be submitted to amend the Federal Land Policy and Management Act so that all grazing fees are deposited in the general fund of the U.S. Treasury for general deficit reduction.

National Energy Policy — The 2007 budget proposes a major \$25.4 million program increase in BLM energy programs to support implementation of the recently enacted Energy Policy Act of 2005 and to continue to support the goals of the President's National Energy Plan for increasing domestic energy supplies.

The BLM will continue to prioritize expeditious processing of applications for permits to drill. Continually growing demand for energy and historically high oil and natural gas prices are driving an explosive growth in demand for energy development on public lands. Through funding increases and management and process improvements, including new authorities and an estimated \$20.7 million in new mandatory funding for seven BLM field offices provided through section 365 of the Energy Policy Act, BLM's capacity to process APDs has grown significantly in recent years. The BLM projects that it will process 10,160 APDs in 2006, more than two and one-half times the 3,892

APDs processed in 2000. The BLM's work has contributed to an increase in natural gas production from onshore public lands from 2.1 Tcf in 2001 to 3.1 Tcf in 2004.

Record setting demand for APDs is expected to continue. Much of this demand is occurring in BLM field offices that will not receive any of the mandatory funding provided by section 365. The 2007 budget proposes an increase of \$9.2 million to help BLM's non-pilot offices keep pace with the growing demand for APDs, reduce the number of pending APDs, and keep up with the increasing follow-on work related to inspections, enforcement, and monitoring. The increase includes \$4.3 million for APD processing, \$2.8 million for inspection and enforcement activities, and \$2.1 million for energy monitoring activities. Collectively, BLM pilot and non-pilot offices will be able to process an estimated 11,984 APDs and conduct an estimated 26,188 inspections in 2007.

The increased funding for inspections and monitoring will strengthen BLM's ability to safeguard the environment while providing increased access to these energy resources. The importance of this component of the oil and gas management program was underscored in a recent Government Accountability Office report that concluded that BLM's inspection and monitoring efforts have not kept up with the accelerated pace of leasing and APD processing activity.

The budget assumes continuation for 2007 of the enhanced funding for pilot offices from oil and gas rental receipts as provided by section 365 of the Energy Policy Act. The budget proposes, however, that the oil and gas program transition from this funding source to funding from APD processing fees, effective September 30, 2007. The BLM will promulgate a new rulemaking to phase in full cost recovery for APDs, beginning with a fee amount that will generate a level of cost recoveries in 2008 to fully replace the amount provided by the Energy Policy Act. The proposed increased reliance on cost recoveries is consistent with the findings of previous Inspector General reports and the 2005 PART review of this program, which found that the program does not adequately charge identifiable users for costs incurred on their behalf.

The 2007 BLM budget includes an increase of \$12.4 million for Alaska North Slope energy activities. The budget assumes that Congress will enact legislation in 2006 to open the Arctic National Wildlife Refuge to energy exploration and development and that BLM will conduct a first lease sale in 2008. The requested funding increase will support the preparation and implementation of an ANWR leasing program and enable BLM to effectively manage energy development activities in the National Petroleum Reserve-Alaska that are anticipated to increase as a result.

of the recent completion and approval of a resource management plan amendment for the northeast corner of the NPR-A. The requested increase for Alaska energy will also allow BLM to implement a plan to remediate legacy wells and associated infrastructure that pose a threat to the Arctic environment.

To help address the Nation's long-term energy supply needs, the budget request for BLM energy programs also includes funds to promote the development of potentially abundant unconventional energy resources. The budget includes an increase of \$3.3 million, for a total program of \$4.3 million, to accelerate implementation of an oil shale development program leading to a commercial leasing program by the end of 2008. The funds will support a research, development, and demonstration leasing program, the development of regulations, and the development of a programmatic environmental impact statement. The requested level of funding will support a robust programmatic EIS commensurate with the technological challenges involved in developing oil shale and the high level of environmental protection the Department wishes to ensure during exploration and production. The BLM budget request also includes an increase of \$425,000 for BLM to work with the U.S. Geological Survey to evaluate opportunities for promoting natural gas production from gas hydrate resources, as required by the Energy Policy Act. The increase will enable BLM to expand and increase its ongoing, collaborative, gas hydrate research and assessment work with USGS in Alaska.

Forest Management — The 2007 BLM budget includes a \$3.0 million program increase in the Oregon and California Forest Management program that will be focused on implementing the Northwest Forest Plan under the commitments of the settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*, which directs BLM to produce the allowable sale quantity of 203 million board feet and an additional 100 MMBF by thinning late successional reserves. The increase will enable BLM to continue to ramp up toward the commitment level of 303 MMBF by 2009. It will fund the one to three-year sale preparation process, resulting in an additional 20 MMBF offered in 2008 and 2009 and bring the total timber offered to 263 MMBF in those years.

Cultural Resources — In 2007, BLM requests a \$3.0 million program increase to begin a major long-term cultural resources enhancement initiative to improve the protection, preservation, and interpretation of cultural resources to enhance their economic, scientific, recreational, cultural, and educational value. The increased funding for the "Enduring Legacy" initiative will enable BLM to expand such activities as inventory, monitoring, site stabilization, and protection projects. Most of this work will be

accomplished using partners and volunteers. The BLM proposal supports the President's Executive Order 13287 on "Preserve America" and builds on the agency's 2006 Antiquities Act centennial commemoration activities.

Wildland Fire Management — The 2007 budget request proposes \$769.6 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department. This represents a net increase of \$14.3 million over the 2006 enacted level.

The Department continues to vigorously support the National Fire Plan by providing the budgetary resources and management improvements to maintain and enhance the Federal government's ability to reduce the loss of life and property and environmental damage caused by unwanted wildland fires. Consistent with the overriding premise of the National Fire Plan, the Department will continue to stress collaboration with its Federal, State, tribal, and local partners in the planning and execution of the wildland fire management program. The Department remains concerned about high suppression costs and will continue to explore opportunities to constrain these costs and maintain or enhance program performance through improvements in efficiency.

Aggressive support for the Healthy Forests Initiative will remain a principal emphasis of Interior's fire program. The budget proposes \$200.0 million for the hazardous fuels reduction program. Although the request reflects a \$10.0 million program decrease below the enacted level, it is the third highest in history and will allow the Department to continue to make significant progress in reducing heavy fuel loads in areas of greatest risk. The impact of this funding decrease on program capability will be partially offset by an anticipated reduction in certain project contracting costs and by the increased use of tools such as stewardship contracting to better leverage Federal dollars. Its impact on program performance should also be mitigated by continuing improvements in the program's project prioritization and selection process.

In 2006, the Department proposed, and Congress supported, a \$1.9 million initiative in the preparedness program, to build off of the success of the Rural Fire Assistance program by preparing local fire departments to perform not only initial attack on small fires, but to assist in initial and extended attack on large fires as well. These additional funds are being used by the Department to provide training and personal protective equipment to local and volunteer firefighters. The Department is expanding this effort in 2006 beyond the \$1.9 million level provided in its preparedness budget by reorienting some of its RFA funding to also support the ready-reserve concept. The ultimate goal of the ready-reserve concept is to

develop local Type III teams. In 2007, the Department of the Interior will continue to implement the ready-reserve initiative with the \$1.9 million in preparedness program base funds.

The 2007 Interior budget terminates the Rural Fire Assistance program. The Department will continue ongoing efforts to work with the Department of Homeland Security to meet the needs of rural fire departments for basic training and equipment through the DHS Assistance to Firefighters grant program. The Department recently updated an existing agreement with DHS that will ensure a greater role for the wildland fire agencies in reviewing and issuing grants to States through programs they administer.

The 2007 budget request includes \$257.0 million for suppression operations, an increase of \$26.3 million over the 2006 enacted level, to reflect the ten-year average cost of fire suppression.

Construction and Maintenance — The 2007 budget includes \$6.5 million for BLM's construction program, the same as the 2006 request level and a decrease of \$5.3 million below the 2006 enacted level. Of the total, \$6.1 million is for 12 projects in six States, covering improvements to such facilities and infrastructure as administrative buildings, sanitation systems, roads, bridges, and campgrounds. Site and facility priorities are determined through an evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and public service goals. The construction budget includes \$378,000 for architectural and engineering services.

The 2006 budget request provides \$75.4 million in BLM's main operating account to address critical maintenance needs, including \$38.2 million for deferred maintenance. A total of \$37.2 million is requested for annual maintenance and operations.

Land Acquisition — The 2007 budget proposes \$8.8 million for BLM land acquisition, a net increase of \$146,000 over the 2006 enacted level. The request includes \$6.2 million for line-item projects, an increase of \$830,000 over the 2006 amount, which will support eight projects in six States. The budget includes a program reduction of \$732,000 for acquisition management to reflect the lower level of activity and workload in the proposed land acquisition program. The BLM acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects, and the use of alternative and innovative conservation tools such as easements and purchases of development rights.

Legislative Proposal — To help reduce the Federal bud-

get deficit while also providing a new source of funding for BLM operations, the Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act. The legislation will both expand the public lands available for disposal under FLTFA and change the distribution of the proceeds of those sales. Under the Act, BLM is currently limited to selling lands identified for disposal in land-use plans that were in effect prior to the enactment of FLTFA, and makes the proceeds available for the acquisition of other non-Federal lands within specially-designated areas such as national parks, refuges, and monuments. The 2007 budget proposes to amend FLTFA to: allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from the sales to the Treasury; and cap receipt retention by the Department at \$60 million per year. This proposal will minimize the amount of Federal spending not subject to regular oversight through the appropriations process and will ensure that taxpayers directly benefit from these land sales.

Information Technology — In 2007, BLM will achieve a net savings of \$8.4 million in its information technology budget by undertaking significant reforms to improve the management of information technology investments and improve efficiencies. These efficiencies include consolidated purchases of hardware and software, consolidation of support functions including helpdesks, e-mail support, web services, and training. Savings will be possible by reducing, but not eliminating, IT support services at bureau field offices and consolidating these services at the national level. Reductions to certain BLM IT systems are also proposed. These reductions are possible because of deferring or canceling system enhancements to several IT systems that will eventually become Department-wide systems, or due to the planned replacement of older systems. The net savings of \$8.4 million includes a \$1.0 million increase for BLM's share of the development costs of the new Department Land Resources Management system. The system will replace a combination of bureau-managed land and resource management systems and meet an urgent need for consistent management information.

There is an additional \$1.0 million increase in the BLM budget to support its share of Department-wide enterprise IT investments and central services that are funded through the Department's Working Capital Fund.

Other Program Changes — The BLM budget includes a number of program reductions and savings in order to fund higher priorities. The BLM is in the process of reviewing the functions and organization of the national service centers, which provide technical services to the

State, field, and Washington offices. The BLM expects to implement changes in the third and fourth quarters of 2006, and expects to realize cost savings through these efficiencies. The BLM also will reduce funding in the Washington offices in 2007 through position management and other efficiencies. The BLM expects a total cost savings of \$2.5 million in 2007.

The budget terminates the Alaska Minerals program, for a reduction of \$2.3 million, and reduces funding for the Abandoned Mine Lands program (-\$1.0 million) and Wilderness Management program (-\$500,000). The budget also proposes a \$5.0 million program decrease to the Alaska Conveyance program, partially reducing a 2006 program increase. In addition to these specific program reductions, a total of \$8.8 million in one-time funding earmarks is eliminated.

The BLM proposes shifting the resources added by Congress in 2006 for additional law enforcement coverage in National Landscape Conservation System units to fund six new State rangers. These rangers are needed to provide increased coordination and cooperation within BLM and with other law enforcement agencies, which will result in an improved BLM capability to investigate the dramatic increase in illegal activities, including cultural resources theft, smuggling of drugs, and other contraband, in priority areas. This shift results in a net program reduction of \$512,000 for law enforcement.

Fixed Costs—The budget includes fixed cost increases of \$15.9 million for BLM and \$7.8 million for the Wildland Fire Management program that will fund pay increases at approximately 70 percent and fully fund all other fixed costs. Fixed costs totaling \$8.5 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted		2007 Request		Change from 2006	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Management of Lands and Resources	6,138	847,632	6,115	863,244	-23	+15,612
Wildland Fire Management.....	2,651	755,286	2,574	769,560	-77	+14,274
Construction	20	11,750	18	6,476	-2	-5,274
Land Acquisition.....	23	8,621	23	8,767	0	+146
Oregon and California Grant Lands	972	108,451	975	112,408	+3	+3,957
Range Improvements	60	10,000	28	0	-32	-10,000
Service Charges, Deposits and Forfeitures.....	131	25,483	131	25,483	0	0
SCDF Offset.....	0	-25,483	0	-25,483	0	0
Miscellaneous Trust Funds (Indefinite)	88	12,405	88	12,405	0	0
Subtotal, Appropriations (<i>without Fire</i>).....	7,432	998,859	7,378	1,003,300	-54	+4,441
Subtotal, Appropriations (<i>with Fire</i>)	10,083	1,754,145	9,952	1,772,860	-131	+18,715
Permanents and Trusts						
Miscellaneous Trust Funds (Mandatory).....	17	1,595	17	1,595	0	0
Miscellaneous Permanent Payments.....	18	268,960	20	256,598	+2	-12,362
Permanent Operating Funds						
Operations and Maint. of Quarters	1	383	1	383	0	0
Recreation Fee Collections.....	0	0	0	0	0	0
Recreation Fee Demonstration	113	14,000	113	14,000	0	0
Forest Ecosystems Health and Recovery	56	6,112	62	7,312	+6	+1,200
Expenses, Road Maintenance Deposits	12	3,500	12	3,500	0	0
Timber Sale Pipeline Restoration Fund	21	9,000	15	7,500	-6	-1,500
Southern Nevada Land Sales	41	685,699	38	685,695	-3	-4
Southern Nevada Earnings on Investments.....	0	40,060	0	31,849	0	-8,211
Land Sales, Deshutes County.....	0	0	0	0	0	0
Lincoln County Land Sales.....	2	900	2	900	0	0
Interest, Lincoln County Land Sales Act	0	37	0	38	0	+1
Stewardship Contract, Excess Receipts.....	0	1,500	0	2,000	0	+500
White River Oil Shale Mine (Utah Sale)	0	0	0	0	0	0
Naval Oil Shale.....	0	6,300	2	0	+2	-6,300
Navy Petroleum Reserve #2 Lease Revenues....	0	555	0	604	0	+49
Geothermal Lease and Use Auth. Fund.....	0	2,693	0	0	0	-2,693
Oil and Gas Permit Processing Imp. Fund	85	20,218	145	20,718	+60	+500
Federal Land Disposal Account	7	42,768	7	18,143	0	-24,625
Subtotal, Permanent Operating Funds	338	833,725	397	792,642	+59	-41,083
Helium Fund.....	50	79,000	50	81,000	0	+2,000
Offsetting Collections	0	-79,000	0	-81,000	0	-2,000
Working Capital Fund.....	23	42,000	23	38,000	0	-4,000
Offsetting Collections	0	-42,000	0	-38,000	0	+4,000
Subtotal, Permanents and Trusts	446	1,104,280	507	1,050,835	+61	-53,445
Reimbursable and Other FTE - non Fire	257	0	259	0	+2	0
Reimbursable and Other FTE - Fire.....	66	0	66	0	0	0
TOTAL, BUREAU OF LAND MGMT (<i>w/o Fire</i>)	8,135	2,103,139	8,144	2,054,135	9	-49,004
TOTAL, BUREAU OF LAND MGMT (<i>w/ Fire</i>)	10,852	2,858,425	10,784	2,823,695	-68	-34,730

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Management of Land and Resources

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Land Resources				
Soil, Water, and Air Management.....	34,738	33,838	32,053	-1,785
Rangeland Management	69,183	69,870	68,279	-1,591
Public Domain Forest Management.....	8,895	10,404	10,464	+60
Riparian Management.....	21,228	22,124	21,598	-526
Cultural Resources Management.....	14,925	15,015	18,136	+3,121
Wild Horse and Burro Management	39,045	36,362	36,351	-11
Subtotal, Land Resources.....	188,014	187,613	186,881	-732
Wildlife and Fisheries Management				
Wildlife Management	25,063	28,166	28,387	+221
Fisheries Management	11,884	12,314	12,418	+104
Subtotal, Wildlife / Fisheries Mgt.	36,947	40,480	40,805	+325
Threatened/Endangered Species Mgt.	21,144	21,254	21,435	+181
Recreation Management				
Wilderness Management	16,431	16,559	16,215	-344
Recreation Resources Management.....	44,158	48,572	47,550	-1,022
Subtotal, Recreation Management....	60,589	65,131	63,765	-1,366
Energy and Minerals Management				
Oil and Gas Management	87,360	88,962	115,308	+26,346
Coal Management	9,311	9,159	9,246	+87
Other Mineral Resources Mgt.	9,960	10,036	10,151	+115
Subtotal, Energy and Minerals Mgt.	106,631	108,157	134,705	+26,548
Alaska Minerals.....	3,944	2,263	0	-2,263
Realty and Ownership Management				
Alaska Conveyance and Lands.....	41,975	40,002	35,234	-4,768
Cadastral Survey	15,590	15,790	13,951	-1,839
Land and Realty Management.....	35,059	33,186	33,331	+145
Subtotal, Realty / Ownership Mgt....	92,624	88,978	82,516	-6,462
Resource Protection and Maintenance				
Resource Management Planning	48,863	49,527	49,142	-385
Resource Protection and Law Enfrmnt.	16,788	18,942	18,556	-386
Hazardous Materials Management.....	15,850	15,889	15,933	+44
Subtotal, Resource Protection.....	81,501	84,358	83,631	-727
Transportation and Facilities Maintenance				
Operations.....	6,057	6,179	6,247	+68
Annual Maintenance	30,564	31,571	30,977	-594
Deferred Maintenance	41,192	38,896	38,157	-739
Subtotal, Trans / Facilities. Main.....	77,813	76,646	75,381	-1,265
Land and Resource Information System .	18,062	17,949	17,585	-364

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Mining Law Administration				
Administration	32,696	32,696	32,696	0
Fee Collection	0	0	0	0
Offsetting Fees.....	-32,696	-32,696	-32,696	0
Subtotal, Mining Law Admin.....	0	0	0	0
Workforce and Organizational Support				
Information Systems Operations	19,651	21,139	18,728	-2,411
Administrative Support	50,164	50,680	50,560	-120
Bureauwide Fixed Costs	72,346	73,627	77,895	+4,268
Subtotal, Support	142,161	145,446	147,183	+1,737
Communication Site Management				
Communications Site Management	2,000	2,000	2,000	0
Offsetting Fees	-2,000	-2,000	-2,000	0
Subtotal, Comm. Site Mgmt.	0	0	0	0
Grasshoppers and Mormon Crickets	0	0	0	0
Challenge Cost Share.....	7,396	9,357	9,357	0
Cooperative Conservation Initiative	0	0	0	0
Subtotal, Challenge Cost Share	7,396	9,357	9,357	0
TOTAL APPROPRIATION	836,826	847,632	863,244	+15,612

Highlights of Budget Changes

Fixed Costs Amount
[+18,916]

Land Resources -732

Soil, Water, and Air Management: The budget discontinues BLM funding for the San Pedro partnership (-\$985) and reduces \$1,000 in the Abandoned Mine Lands program. A reduction of \$196 reflects savings in information technology systems due to deferring system enhancements for systems that will eventually be replaced by Departmentwide systems, and other savings from enhancing management of IT systems contract support. A reduction of \$61 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$640 of which \$457 are budgeted and \$183 are absorbed.

Rangeland Management: The decrease from the enacted level includes reductions for the following increases provided in 2006: \$985 for the Center for Invasive Plant Management at the Montana State University, which is now capable of independent operation and \$985 for the Idaho Cooperative Weed Management program, which will continue under State leadership. A reduction of \$692 reflects savings in IT systems. A reduction of \$93 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$1,684 of which \$1,164 are budgeted and \$520 are absorbed.

Public Domain Forest Management: A reduction of \$59 reflects savings in IT systems. A reduction of \$27 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$205 of which \$146 are budgeted and \$59 are absorbed.

Riparian Management: The budget discontinues BLM funding for the development of the Santa Ana River Conservation plan (-\$739); however, the bureau will continue to participate on the Santa Ana River Wash Coordinated Management Committee. A reduction of \$121 reflects savings in IT systems. A reduction of \$19 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$501 of which \$353 are budgeted and \$148 are absorbed.

Cultural Resources Management: An increase of \$3,000 is proposed for "Enduring Legacy", a new initiative to enhance cultural resources protection, preservation, and interpretation. A reduction of \$112 reflects savings in IT systems. A reduction of \$17 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$358 of which \$250 are budgeted and \$108 are absorbed.

	<u>Amount</u>
<i>Wild Horse and Burro Management:</i> A reduction of \$277 reflects savings in IT systems. A reduction of \$34 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$428 of which \$300 are budgeted and \$128 are absorbed.	
Wildlife and Fisheries Management	+325
<i>Wildlife Management:</i> A reduction of \$125 reflects savings in IT systems. A reduction of \$40 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$546 of which \$386 are budgeted and \$160 are absorbed.	
<i>Fisheries Management:</i> A reduction of \$62 reflects savings in IT systems. A reduction of \$18 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$261 of which \$184 are budgeted and \$77 are absorbed.	
Threatened and Endangered Species	+181
<i>Threatened and Endangered Species:</i> A reduction of \$117 reflects savings in IT systems. A reduction of \$26 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$458 of which \$324 are budgeted and \$134 are absorbed.	
Recreation Management	-1,366
<i>Wilderness Management:</i> A program decrease of \$500 will defer boundary surveys and other lower priority work into future years. A reduction of \$115 reflects savings in IT systems. A reduction of \$11 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$390 of which \$282 are budgeted and \$108 are absorbed.	
<i>Recreation Resources Management:</i> The decrease from the enacted level includes reductions of \$985 for the Undaunted Stewardship program and \$493 for the implementation of the Santa Rosa and San Jacinto National Monument management plan. The BLM will continue to focus available resources on the highest priority needs in the Lewis and Clark six-year plan. Implementation of the Santa Rosa and San Jacinto management plan will continue using State of California resources. A reduction of \$246 reflects savings in IT systems. A reduction of \$55 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$1,074 of which \$757 are budgeted and \$317 are absorbed.	
Energy and Minerals Management	+26,548
<i>Oil and Gas Management:</i> An increase of \$12,400 for Alaska North Slope energy initiatives will allow BLM to support preparation and implementation of an ANWR leasing program, manage anticipated increases in energy development in the National Petroleum Reserve-Alaska, and allow BLM to remediate old, abandoned energy-related infrastructure that poses a threat to the Arctic environment. Congress provided \$739 in 2006 in the Deferred Maintenance program for energy-related infrastructure remediation on the North Slope. These funds will be moved from the Deferred Maintenance program to the Oil and Gas Management program in 2007, where they are more appropriately managed to facilitate effective implementation of BLM's plan for remediating these sites. Section 365 of the Energy Policy Act of 2005 provides increased mandatory funding to seven BLM pilot (district) offices to address the high demand for processing applications for permits to drill and related work. The discretionary budget request proposes an increase \$9,244 for BLM to respond to similarly high demand and workload in its non-pilot offices. This includes \$4,250 for processing APDs, \$2,944 for performing inspection and enforcement activities, and \$2,050 for conducting energy monitoring activities. The request also includes an increase of \$3,300 to prepare a programmatic Environmental Impact Statement and establish a program management office for an oil shale development program and an increase of \$425 for gas hydrates research and assessment work. A reduction of \$1,099 reflects savings in IT systems. A reduction of \$164 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$2,233 of which \$1,501 are budgeted and \$732 are absorbed.	
<i>Coal Management:</i> A reduction of \$66 reflects savings in IT systems. A reduction of \$16 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$228 of which \$169 are budgeted and \$59 are absorbed.	
<i>Other Mineral Resources Management:</i> A reduction of \$61 reflects savings in IT systems. A reduction of \$14 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$260 of which \$190 are budgeted and \$70 are absorbed.	

	<u>Amount</u>
Alaska Minerals	-2,263
A \$2,262 reduction discontinues the program, ending the ongoing program of mineral assessments and terminating the related agreements which are currently in place with cooperating agencies. This work can be performed more appropriately by other entities. A reduction of \$1 reflects savings in IT systems.	
Realty and Ownership	-6,462
<i>Alaska Conveyance and Lands:</i> The proposal includes a \$5,000 decrease, deferring some land transfers to future years; however, BLM will continue to make significant progress in transferring Federal lands in Alaska to other ownerships with efficiencies created by the Alaska Lands Transfer Acceleration Act. A reduction of \$175 reflects savings in IT systems. A reduction of \$22 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$645 of which \$429 are budgeted and \$216 are absorbed.	
<i>Cadastral Survey:</i> A funding increase of \$200 will provide for a one-time payment to local governments pursuant to the Snake River Water Rights Act, which endorses the settlement negotiated between the Department and the Nez Perce Tribe in Idaho. A program decrease of \$2,129 will eliminate BLM funding for lower priority projects, including a GIS project in Utah (-\$296), the Recordable Disclaimer of Interest Project in Alaska (-\$739), a mapping project in Montana (-\$936), and a soil survey project in Wyoming (-\$158). A reduction of \$110 reflects savings in IT systems. A reduction of \$26 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$311 of which \$226 are budgeted and \$85 are absorbed.	
<i>Lands and Realty Management:</i> A reduction of \$414 reflects savings in IT systems. A reduction of \$49 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$857 of which \$608 are budgeted and \$249 are absorbed.	
Resource Protection and Maintenance	-727
<i>Resource Management Planning:</i> A program decrease of \$739 will reduce funding for California Desert Conservation Area planning. Funding will be directed to the bureau's highest priority planning efforts. A reduction of \$188 reflects savings in IT systems. A reduction of \$72 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$857 of which \$614 are budgeted and \$243 are absorbed.	
<i>Resource Protection and Law Enforcement:</i> An increase of \$720 will allow BLM to fund six new rangers, one each in six BLM State offices. These rangers will provide increased coordination and cooperation within BLM and with other law enforcement agencies. Funding for law enforcement in National Landscape Conservation System areas in four States will be decreased by \$1,232. With the six new rangers providing coordination in State Offices, BLM will have adequate funding for high priority law enforcement needs. A reduction of \$59 reflects savings in IT systems. A reduction of \$27 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$287 of which \$212 are budgeted and \$75 are absorbed.	
<i>Hazard Management and Resource Restoration:</i> A reduction of \$118 reflects savings in IT systems. A reduction of \$79 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$330 of which \$241 are budgeted and \$89 are absorbed.	
Transportation and Facilities Maintenance	-1,265
<i>Operations Maintenance:</i> A reduction of \$11 reflects savings in IT systems. A reduction of \$1 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$120 of which \$80 are budgeted and \$40 are absorbed.	
<i>Annual Maintenance:</i> The decrease from the enacted level includes a reduction of \$739 for maintenance and development of the Iditarod, Pacific Crest, and Continental Divide trails. Funding will be directed to the bureau's highest priority maintenance projects. A reduction of \$238 reflects savings in IT systems. A reduction of \$70 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$650 of which \$453 are budgeted and \$197 are absorbed.	
<i>Deferred Maintenance:</i> In 2006, an increase of \$739 was provided for the capping of abandoned oil wells on Alaska's North Slope. These funds will be shifted to the Oil and Gas Management program where they are more appropriately managed.	

	<u>Amount</u>
Land and Resource Information Systems	-364
An increase of \$1,000 will support the implementation of the Department of the Interior's new Land and Resource Management Systems. A reduction of \$945 reflects savings in IT systems. A reduction of \$568 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$200 of which \$149 are budgeted and \$51 are absorbed.	
Workforce and Organizational Support	+1,737
<i>Information Systems Operations:</i> A reduction of \$2,177 reflects savings in IT systems. A reduction of \$402 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$225 of which \$168 are budgeted and \$57 are absorbed.	
<i>Administrative Support:</i> A reduction of \$505 reflects savings in IT systems. A reduction of \$542 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$1,350 of which \$927 are budgeted and \$423 are absorbed.	
<i>Bureauwide Fixed Costs:</i> A reduction of \$600 reflects savings in IT systems. A program increase of \$1,050 is requested for projects funded through the Department's Working Capital Fund including, consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the internet, a Departmentwide intranet, and a technical support center. Fixed costs total \$3,818 and are fully budgeted.	

APPROPRIATION: Wildland Fire Management

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Preparedness.....	258,939	268,839	274,801	+5,962
Suppression Operations.....	218,445	230,721	257,041	+26,320
Title IV Suppression Appropriation.....	98,611	0	0	0
Other Operations				
Hazardous Fuels Reduction	201,409	208,113	199,787	-8,326
Burned Area Rehabilitation	23,939	24,116	24,286	+170
State and Local Fire Assistance	9,861	9,852	0	-9,852
Fire Facilities	12,202	7,734	7,734	0
Joint Fire Science	7,889	5,911	5,911	0
Subtotal, Other Operations.....	255,300	255,726	237,718	-18,008
TOTAL APPROPRIATION	831,295	755,286	769,560	+14,274

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+11,149]
Preparedness	+5,962
Fixed costs total \$8,585 of which \$5,962 are budgeted and \$2,623 are absorbed.	
Suppression Operations	+26,320
An increase of \$26,320 is requested for suppression operations.	
Other Operations	-18,008
<i>Hazardous Fuels Reduction:</i> A program decrease of \$10,000 is proposed. Fixed costs total \$2,341 of which \$1,674 are budgeted and \$667 are absorbed.	
<i>Burned Area Rehabilitation:</i> Fixed costs total \$223 of which \$170 are budgeted and \$53 are absorbed.	

State and Local Fire Assistance: The budget eliminates funding for Interior's pilot Rural Fire Assistance program (-\$9,852). In 2007, the Department will continue to implement the "ready reserve" initiative first proposed in 2006 in which assistance is provided to local fire departments through the Fire Preparedness program. The budget also assumes that local fire departments will receive assistance currently provided by the Department's RFA program through the much larger assistance programs administered by the Forest Service and Department of Homeland Security.

Fire Facilities: Funding is requested at the 2006 enacted level.

Joint Fire Science: Funding is requested at the 2006 enacted level.

APPROPRIATION: Construction

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	11,340	11,750	6,476	-5,274

Highlights of Budget Changes

Construction

The budget request includes 6,476 for twelve line item construction projects in six States to address the highest priority health, safety, and resource protection needs. The total funding includes \$378 for architectural and engineering services. A detailed list of construction projects is included in Appendix D.

APPROPRIATION: Land Acquisition

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Acquisitions	6,262	5,370	6,200	+830
Emergencies and Hardships.....	1,479	985	1,000	+15
Land Exchange Equalization Payments ..	493	0	0	0
Acquisition Management.....	2,958	2,266	1,567	-699
TOTAL APPROPRIATION	11,192	8,621	8,767	+146

Highlights of Budget Changes

Fixed Costs

Amount
[+47]

Land Acquisition

+146

Land Acquisition The 2007 budget proposes \$6,200 for BLM line-item land acquisition projects, an increase of \$830 over the 2006 enacted level. The requested funding will support eight projects in six States. A detailed list of these land acquisition projects is included in Appendix E. The BLM acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects, and the use of alternative and innovative conservation tools such as easements and purchases of development rights.

Emergencies and Inholdings: An increase of \$15 will restore the program to the required level.

Acquisition Management: Savings have been realized in the acquisition management activity by consolidating purchase and donation processing activities within fewer offices (-\$732). Fixed costs total \$47 of which \$33 are budgeted and \$14 are absorbed.

APPROPRIATION: Oregon and California Grant Lands

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
W. Oregon Resources Management	88,775	95,270	99,122	+3,852
W. Oregon Info. and Resources Data Sys.	2,151	2,141	2,161	+20
W. Oregon Trans. and Facilities Maint.	10,619	10,742	10,821	+79
W. Oregon Construction and Acq.	291	298	304	+6
Jobs-in-the-Woods.....	5,661	0	0	0
TOTAL APPROPRIATION	107,497	108,451	112,408	+3,957

Highlights of Budget Changes

	<u>Amount</u> [+/-]
Fixed Costs	[+2,150]
Western Oregon Resources Management	+3,852
<i>Forest Management:</i> Offering the Allowable Sale Quantity set by the Northwest Forest Plan is a priority for western Oregon. An increase of \$3,000 will support the additional offering of 20 MMBF of wood products for public use and allow BLM to meet the terms of the settlement agreement in the lawsuit <i>American Forest Resource Council et. al. v. Clarke</i> . The majority of the increase will support increased late successional reserve thinning treatments. A reduction of \$132 reflects savings in IT systems. A reduction of \$18 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$599 of which \$410 are budgeted and \$189 are absorbed.	
<i>Reforestation and Forest Development:</i> A reduction of \$119 reflects savings in IT systems. A reduction of \$2 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$434 of which \$307 are budgeted and \$127 are absorbed.	
<i>Other Forest Resources:</i> A reduction of \$189 reflects savings in IT systems. A reduction of \$18 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$771 of which \$546 are budgeted and \$225 are absorbed.	
<i>Resource Management Planning:</i> A reduction of \$4 reflects savings in IT systems. Fixed costs total \$99 of which \$71 are budgeted and \$28 are absorbed.	
Western Oregon Information and Resource Data System	+20
<i>Information System Operations and Maintenance:</i> A reduction of \$4 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$32 of which \$24 are budgeted and \$8 are absorbed.	
Western Oregon Transportation and Facilities Maintenance	+79
<i>Operations Maintenance:</i> Fixed costs total \$44 of which \$30 are budgeted and \$14 are absorbed.	
<i>Annual Maintenance:</i> A reduction of \$58 reflects savings in IT systems due. A reduction of \$5 is a result of improved efficiencies in the national service centers and Washington office. Fixed costs total \$162 of which \$112 are budgeted and \$50 are absorbed.	
Western Oregon Construction and Acquisition	+6
<i>Acquisition:</i> Fixed costs total \$9 of which \$6 are budgeted and \$3 are absorbed.	

APPROPRIATION: Range Improvements

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Improvements to Public Lands	7,873	7,873	0	-7,873
Farm Tenant Act Lands	1,527	1,527	0	-1,527
Administrative Expenses	600	600	0	-600
TOTAL APPROPRIATION	10,000	10,000	0	-10,000

Highlights of Budget Changes

Range Improvements

Amount
-10,000

The 2007 BLM budget does not request an appropriation from the Range Improvement Fund. The Administration will submit legislation to amend the Federal Land Policy Management Act to direct that the 50 percent of grazing fee receipts currently deposited in the Range Improvement fund (*i.e.*, the Federal share of such receipts), be deposited in the general fund of the U.S. Treasury for deficit reduction. Regulations recently promulgated by BLM provide that the BLM and a grazing permittee or lessee (or other cooperating party) will share title to future range improvements – permanent structures such as fences, wells, or pipelines – if they are constructed under what is known as a Cooperative Range Improvement Agreement, as was allowed prior to 1995. The regulations should encourage grazing permittees to take on more of the cost of constructing range improvement projects.

APPROPRIATION: Service Charges, Deposits, and Forfeitures

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Rights-of-Way Processing	10,601	12,150	12,150	0
Energy and Minerals Cost Recovery	692	3,400	3,400	0
Mining Law Cost Recovery	0	1,100	1,100	0
Adopt-a-Horse Program	708	708	708	0
Repair of Damaged Lands	3,396	4,000	4,000	0
Cost Recoverable Realty Cases	774	775	775	0
Timber Purchaser Expenses	96	50	50	0
Commercial Film and Photography Fees	442	200	200	0
Copy Fees	3,077	3,100	3,100	0
APPROPRIATION	19,786	25,483	25,483	0
OFFSETS	-19,786	-25,483	-25,483	0
TOTAL APPROPRIATION	0	0	0	0

APPROPRIATION: Miscellaneous Trust Funds

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	15,447	12,405	12,405	0



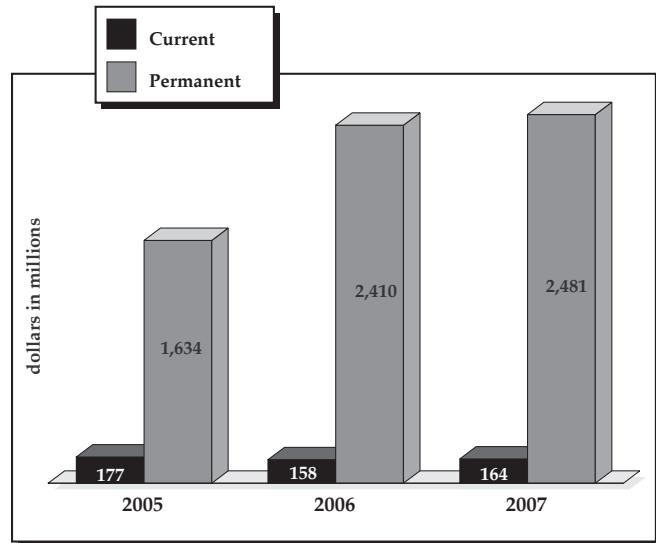
MINERALS MANAGEMENT SERVICE

Mission—The Minerals Management Service was formed by Secretarial Order in 1982 to facilitate the Nation's mineral revenue collection efforts and the management of its Outer Continental Shelf offshore lands. The MMS manages energy and mineral resources, including alternative energy resources, on the Nation's OCS in an environmentally sound and safe manner. The MMS is also responsible for the timely and accurate collection, distribution, accounting for, and auditing of revenues owed by holders of mineral leases on Federal onshore, offshore, and Indian lands.

Program Overview — The MMS programs contribute significantly to the Nation's economic well-being and energy security. Annually, OCS leases produce over 600 million barrels of oil and 4.7 trillion cubic feet of natural gas. Oil production from the OCS helps to limit dependence on imported energy, while the natural gas produced will continue to play a key role in providing the Nation a reliable and clean-burning energy source. In 2007, MMS programs will collect an estimated \$14.0 billion in revenues from minerals produced from offshore and onshore Federal and Indian lands. This income contributes to the funding of numerous Federal programs. In addition to Federal and tribal interests, MMS also supports States and local governments through revenue sharing and by providing OCS sand and gravel for beach nourishment projects. Since 1994, increasing OCS rental revenues have permitted MMS to use receipts to cover over \$1.0 billion in previously appropriated activities, releasing the equivalent amount of limited discretionary budget authority to address other Federal high priority programs. The 2007 budget request will add another \$128.7 million to that total.

To ensure OCS development is carried out in a safe and environmentally responsible manner, MMS inspects all offshore facilities, reviews plans of exploration and development, analyzes statements of financial responsibility, and funds scientific and engineering research related to OCS mineral and alternative energy development. The MMS also utilizes a broad range of financial services, and pursues a comprehensive compliance strategy. This strategy includes an automated compliance verifica-

MMS Funding



tion program to validate the accuracy and timeliness of revenues paid, and an audit program staffed by MMS, State, and tribal auditors to ensure proper revenues are collected and disbursed.

Energy Policy Act — With the enactment of the Energy Policy Act of 2005, MMS faces a wide range of new and expanded responsibilities. Several sections of the Act add significant additional scope to the MMS mission, such as Section 388, Alternate Energy-Related Uses on the OCS, and Section 384, Coastal Impact Assistance program. In addition, several sections increase the scale of existing programs, such as new incentives for oil and gas production, and system modifications for processing royalty credits and incentives. While much of MMS's current work and extensive expertise can be applied to these new programs, the provisions of the Act place significant new demands on MMS's budgetary and human resources. However, the fulfillment of MMS's responsibilities under the Energy Policy Act will provide substantial benefit to the American economy by diversifying the domestic energy portfolio and increasing energy-related revenues.

Management Excellence — The budget continues to support implementation of the President's management initiatives. In 2005, Interior began work on the next five-year Strategic Plan. In preparation, MMS completed a review of its performance structure and made needed revisions to the current plan based upon the analysis. The MMS has continued to make progress in improved budget and performance integration, human resource management, financial management, e-government, and competitive sourcing.

As of 2007, all MMS programs will have undergone a Program Assessment Rating Tool evaluation. The PART process has resulted in findings that support MMS fiscal and legislative priorities. For example, the findings from the review of the OCS Resource Evaluation and Leasing program recognized that MMS "...manages access to mineral resources with exceeding proficiency..." and supported legislation, now enacted as part of the Energy Policy Act of 2005, granting the bureau additional authority over alternative energy projects on OCS lands and the alternative use of OCS facilities. The MMS used information gathered in the PART review to develop the \$6.5 million budget initiative to support the alternative energy program.

The MMS uses cost data, gathered from the bureau's activity-based cost management model, in decisionmaking. For example, in developing the 2007 budget, ABC data was considered by management when establishing the agency's performance targets. In addition, ABC data was used to compare royalty in-kind and royalty in-value administrative costs. As the system matures, MMS anticipates using ABC data to re-engineer business processes, allocate resources, and project future funding requests.

Budget Overview — The 2007 MMS budget request is \$292.3 million in current appropriations and offsetting receipts. Four permanent appropriations totaling \$2.5 billion will provide States with their statutory shares of mineral leasing revenues generated on Federal lands.

Offsetting receipts are estimated to be \$128.7 million, an increase of \$6.0 million over 2006. The request for direct appropriations is \$163.6 million, an increase of \$5.3 million from the 2006 enacted budget, excluding the hurricane supplemental. The resulting \$11.3 million increase in overall funding will enable MMS to facilitate OCS development and deepwater activities; fund helicopter contract increases; implement the Indian oil valuation rule; recompete and transition MRM's operations and support contract; implement Energy Policy Act requirements; and complete the environmental analyses necessary for the 2007 OCS lease sales and the 2007-2012 Five-Year Lease program.

OCS Program — The goal of the OCS program is to provide for safe and environmentally sound energy and mineral development on the OCS and to ensure that the public receives fair market value for these resources. To carry out this goal, MMS activities include administration of OCS leases; review of new exploration and development plans; examination of pipeline right-of-way applications; environmental assessments; and annual safety inspections of mineral extraction operations on-site. The MMS requests \$159.4 million in 2007 for OCS program activities, a net increase of \$10.6 million above the 2006 enacted budget, when hurricane supplemental funding is excluded.

The MMS has acquired new program responsibilities with passage of the Energy Policy Act of 2005. The 2007 budget request includes an increase of \$7.6 million in support of the Energy Policy Act, including \$6.5 million to establish a comprehensive program to manage new and innovative alternative energy projects on the OCS, and \$1.0 million towards a coordinated Departmental effort to accelerate research, resource modeling, assessment, and characterization of gas hydrates in the Gulf of Mexico and the North Slope of Alaska.

Industry continues to move further offshore into ultra-deepwater to conduct operations. In the last three years, companies have made 24 significant discoveries in ultra-deepwater areas, requiring a significant increase in MMS inspections. The budget includes \$2.1 million to facilitate OCS development, by funding increased helicopter contract costs associated with transporting inspectors to offshore oil and gas facilities at greater distances. The increase will also allow MMS to keep abreast of the innovative developments and environmental concerns in deepwater technology.

The MMS also proposes a \$1.5 million OCS lease sales initiative to prepare National Environmental Policy Act analyses that are necessary for the Gulf of Mexico and Alaska. The next Five-Year Plan, Outer Continental Shelf Oil and Gas Leasing Program 2007-2012, will likely expand the number of scheduled OCS sales and increase seismic and drilling exploration, delineation, and development activities towards the goal of increasing domestic oil and gas production and reducing dependency on imports from foreign sources.

Minerals Revenue Management — The goal of the MRM program is to ensure that revenue from Federal and Indian mineral leases are effectively, efficiently, and accurately collected, accounted for, and disbursed to recipients. These revenues, which have historically averaged over \$6.5 billion per year, are distributed and disbursed to 38 States, 41 Indian Tribes, some 30,000 American Indian

mineral royalty owners, and to U.S. Treasury accounts. In the 2007 budget request, the total MRM program is funded at \$79.2 million, an increase of \$1.3 million above the 2006 enacted budget.

The MRM's primary business of collecting, accounting, and assuring compliance for Federal and Indian mineral revenues is highly dependent on its information technology system, the MRM Support System. In 2007, MMS is proposing a \$750,000 initiative for MRMSS system modifications, to enable MMS to implement an automated credit system in support of the Energy Policy Act.

The MMS has a continuing objective to provide the highest quality services for Indian trust beneficiaries, and plans to publish a proposed Indian Oil Valuation Rule, which will add more certainty to the valuation of oil produced from Indian lands. The 2007 budget includes \$842,000 to fund system enhancements and staff support necessary for the implementation of the rule.

Royalty-In-Kind Program — The RIK program has demonstrated that under certain circumstances taking royalties in-kind has many advantages over taking them in-value. These advantages include revenue enhancement, reduced administrative costs for both MMS and industry, conflict avoidance, and earlier receipt of royalty revenues. The 2006 Interior, Environment, and Related Agencies Appropriations Act and the Energy Policy Act of 2005 granted MMS permanent authority to fund transportation and administrative costs for the RIK program through RIK revenue receipts. As MMS has made progress in optimizing RIK volumes and increasing Treasury revenues, it has examined its business practices and basic organizational structure. The 2007 budget includes a reduction of \$3.1 million related to the indirect costs more appropriately financed through RIK receipts collected in 2007.

Coastal Impact Assistance Program — The Energy Policy Act authorizes disbursement of \$250.0 million from OCS oil and gas revenues in each of the fiscal years 2007 through 2010 to producing States (Alabama, Alaska, California,

Louisiana, Mississippi, and Texas) and coastal political subdivisions (e.g., counties, parishes, or boroughs) for approved coastal restoration and conservation purposes. In 2007, MMS will continue the development of program guidelines begun in 2006, including development of an allocation model necessary to calculate the shares of revenue to be distributed annually to each recipient in accordance with a complex formula. The MMS will also review State CIAP plans, disburse funds to recipients, and monitor projects to ensure funds are used for the purposes outlined. In lieu of a program change to the annual Royalty and Offshore Minerals Management appropriation, MMS is proposing legislation to authorize the Secretary to retain up to one percent of CIAP funds, to remain available until expended. The funds will cover MMS's costs of administering the new program, including grant management and monitoring costs that will extend beyond the 2007-2010 disbursement period.

User Fees — In 2007, MMS is projecting additional fee revenues of \$6.0 million, generated from the full year's collection of the user fees proposed in the 2006 budget. These fees would be added to offsetting collections, for a total of \$128.7 million, allowing the reduction of annual appropriations by \$6.0 million.

Oil Spill Research Program — This program supports oil pollution research and other duties related to oil spill prevention, as authorized by the Oil Spill Pollution Act of 1990. The budget proposes total funding of \$6.9 million in 2007. The funding will allow MMS to continue a four-year phased replacement of equipment and increased operational costs at the National Oil Spill Response Test Facility, the only one of its type in the world providing full-scale equipment and methodology testing in a safe, controlled environment.

Fixed Costs — The 2007 budget request includes an increase of \$5.0 million for non-discretionary fixed cost increases, of which \$3.5 million are budgeted and \$1.5 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted			2007 Request			
	FTE	Amount		FTE	Amount	FTE	Amount
Appropriations							
Royalty and Offshore Minerals Management.....	1,632	151,391		1,662	156,651	+30	+5,260
Oil Spill Research	22	6,903		22	6,903	0	0
Subtotal, Direct Appropriations (w/o hurricane supp.)	1,654	158,294		1,684	163,554	+30	+5,260
Hurricane Supplemental.....	0	16,000		0	0	0	-16,000
Subtotal, Direct Appropriations (w/ hurricane supp.)	1,654	174,294		1,684	163,554	+30	-10,740
Offsetting Collections	0	122,730		0	128,730	0	+6,000
Subtotal, Appropriations (w/o hurricane supp.).....	1,654	281,024		1,684	292,284	+30	+11,260
Subtotal, Appropriations (w/ hurricane supp.).....	1,654	297,024		1,684	292,284	+30	-4,740
Permanents and Trusts							
Mineral Leasing and Associated Payments	0	2,396,765		0	2,221,009	0	-175,756
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes.....	0	3,061		0	2,764	0	-297
Nat'l. Forests Funds, Payments to States.....	0	7,914		0	7,279	0	-635
Geothermal, Payments to Counties.....	0	2,693		0	0	0	-2,693
Coastal Impact Assistance Program.....	0	0		0	250,000	0	+250,000
Subtotal, Permanents and Trusts	0	2,410,433		0	2,481,052	0	+70,619
TOTAL, MINERALS MGMT SERVICE (w/o h. supp.)..	1,654	2,691,457		1,684	2,773,336	+30	+81,879
TOTAL, MINERALS MGMT SERVICE (w/ h. supp.) ...	1,654	2,707,457		1,684	2,773,336	+30	+65,879

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Royalty and Offshore Minerals Management

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Outer Continental Shelf Lands				
Leasing and Environmental Program				
Appropriation.....	16,889	15,505	22,004	+6,499
Offsetting Collections	20,335	22,206	23,206	+1,000
Total, Leasing and Environ. Prog.....	37,224	37,711	45,210	+7,499
Resource Evaluation Program				
Appropriation.....	20,663	18,381	18,091	-290
Offsetting Collections	8,903	11,026	12,026	+1,000
Total, Resource Evaluation Prog.....	29,566	29,407	30,117	+710
Regulatory Program				
Appropriation.....	37,073	33,023	33,565	+542
Offsetting Collections	14,443	18,449	20,449	+2,000
Total, Regulatory Program.....	51,516	51,472	54,014	+2,542

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Information Management Program				
Appropriation.....	12,423	9,632	9,475	-157
Offsetting Collections	17,549	20,549	20,549	0
Total, Info. Mgmt. Program	29,972	30,181	30,024	-157
OCS Appropriation.....	87,048	76,541	83,135	+6,594
OCS Offsetting Collections	61,230	72,230	76,230	+4,000
Subtotal, OCS Lands.....	148,278	148,771	159,365	+10,594
Minerals Revenue Management				
Compliance and Asset Management				
Appropriation.....	28,315	25,488	25,899	+411
Offsetting Collections	13,235	17,235	17,235	0
Total, Valuation and Operations	41,550	42,723	43,134	+411
Revenue and Operations				
Appropriation.....	20,602	17,894	16,759	-1,135
Offsetting Collections	13,265	17,265	19,265	+2,000
Total, Compliance	33,867	35,159	36,024	+865
MRM Appropriation.....	48,917	43,382	42,658	-724
MRM Offsetting Collections	26,500	34,500	36,500	+2,000
Subtotal, Revenue Management	75,417	77,882	79,158	+1,276
General Administration				
Executive Direction				
Appropriation.....	1,057	1,100	1,533	+433
Offsetting Collections	1,000	1,000	1,000	0
Total, Executive Direction	2,057	2,100	2,533	+433
Policy and Management Improvement				
Appropriation.....	3,132	3,199	3,090	-109
Offsetting Collections	1,000	1,000	1,000	0
Total, Policy and Mgmt. Improve.	4,132	4,199	4,090	-109
Administrative Operations				
Appropriation.....	15,409	15,489	15,282	-207
Offsetting Collections	1,555	1,555	1,555	0
Total, Admin. Operations.....	16,964	17,044	16,837	-207
General Support Services				
Appropriation.....	11,256	11,680	10,953	-727
Offsetting Collections	12,445	12,445	12,445	0
Total, General Support Services	23,701	24,125	23,398	-727
GA Appropriation.....	30,854	31,468	30,858	-610
GA Offsetting Collections	16,000	16,000	16,000	0
Total, General Administration.....	46,854	47,468	46,858	-610
Net Appropriation Transfers	3,343	0	0	0
TOTAL (w/o hurricane supplemental)	273,892	274,121	285,381	+11,260
Total Appropriation (w/o hurricane supp.) ..	166,819	151,391	156,651	+5,260
Total Offsetting Collections	103,730	122,730	128,730	+6,000
Hurricane Supplemental.....	0	16,000	0	-16,000
TOTAL (w/ hurricane supplemental).....	273,892	290,121	285,381	-4,740
Total Appropriation (w/ hurricane supp.) ..	166,819	167,391	156,651	-10,740
Total Offsetting Collections	103,730	122,730	128,730	+6,000

Highlights of Budget Changes

	Amount [+5,025]
Fixed Costs	
Outer Continental Shelf Lands Leasing and Environmental Program	+7,499
An increase of \$5,926 is proposed to establish a comprehensive alternative energy program on the OCS in support of the Energy Policy Act, including leasing, environmental, and regulatory requirements; a \$1,370 increase is proposed to prepare NEPA documents and information collection needs in support of OCS lease sales; an increase of \$180 is proposed to handle the rapidly increasing transfers of record title actions for oil and gas leases on the OCS; a decrease of \$232 is included for the Office of Public Affairs realignment; a \$172 decrease is included for the 2006 congressional fixed costs earmark. Fixed costs total \$610 of which \$427 are budgeted and \$183 are absorbed.	
Resource Evaluation Program	+710
An increase of \$1,000 is proposed for a coordinated effort in the Gulf of Mexico and Alaska North Slope to accelerate research, resource modeling, assessment, and characterization of gas hydrates; a \$274 increase is proposed to conduct resource assessments and evaluations and assure conservation of resources on the OCS, in support of the Energy Policy Act; a \$130 increase is proposed to prepare NEPA documents and information collection needs in support of OCS lease sales; a \$996 decrease is included for the Center for Marine Resources and Environmental Technology and the 2006 fixed costs earmarks; a decrease of \$179 is included for the Office of Public Affairs realignment. Fixed costs total \$687 of which \$481 are budgeted and \$206 are absorbed.	
Regulatory Program	+2,542
An increase of \$1,920 is proposed for OCS development, including a new GOM aviation contract, increased fuel and inspection costs, and staff to review and develop appropriate industry standards for deepwater; a \$437 increase is proposed for the implementation of Section 317 of the Energy Policy Act, establishing the liquified natural gas Federal/State forum; a decrease of \$328 is included for the Office of Public Affairs realignment; a \$200 decrease is included for the 2006 fixed costs earmark. Fixed costs total \$1,017 of which \$713 are budgeted and \$304 are absorbed.	
Information Management Program	-157
A decrease of \$117 is included for the Office of Public Affairs realignment; a \$200 decrease is included for the 2006 fixed costs earmark. Fixed costs total \$228 of which \$160 are budgeted and \$68 are absorbed.	
Minerals Revenue Management Compliance and Asset Management	+411
An increase of \$842 is proposed for implementation of the Indian oil valuation rule; a reduction of \$1,124 is included for indirect royalty-in-kind costs that are recoverable from revenue receipts; a decrease of \$170 is included due to postponement of two Tribal cooperative audit agreements. Fixed costs total \$1,234 of which \$863 are budgeted and \$371 are absorbed.	
Revenue and Operations	+865
An increase of \$750 is included for the implementation of an automated credit system, which is part of the MMS overall funding proposal for implementation of the Energy Policy Act; a decrease of \$154 is included for the Office of Public Affairs realignment. Fixed costs total \$384 of which \$269 are budgeted and \$115 are absorbed.	
General Administration Executive Direction	+433
An increase of \$1,010 is included as part of the Office of Public Affairs realignment; a \$30 decrease is included for the 2006 fixed costs earmark; a decrease of \$598 is included for RIK indirect costs that are recoverable from revenue receipts. Fixed costs total \$73 of which \$51 are budgeted and \$22 are absorbed.	

	<u>Amount</u>
Policy and Management Improvement	-109
A \$30 decrease is included for the 2006 fixed costs earmark; a decrease of \$156 is included for RIK indirect costs that are recoverable from revenue receipts. Fixed costs total \$110 of which \$77 are budgeted and \$33 are absorbed.	
Administrative Operations	-207
A \$250 decrease is included for the 2006 fixed costs earmark; a decrease of \$407 is included for RIK indirect costs that are recoverable from revenue receipts. Fixed costs total \$643 of which \$450 are budgeted and \$193 are absorbed.	
General Support Services	-727
A \$150 decrease is included for the 2006 fixed costs earmark; a decrease of \$787 is included for RIK indirect costs that are recoverable from revenue receipts. The 2007 budget includes an increase of \$172,000 for projects funded through the Working Capital Fund, including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide intranet, and a technical support center. Fixed costs total \$39, of which \$38 are budgeted and \$1 are absorbed.	

APPROPRIATION: Oil Spill Research

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	7,006	6,903	6,903	0



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

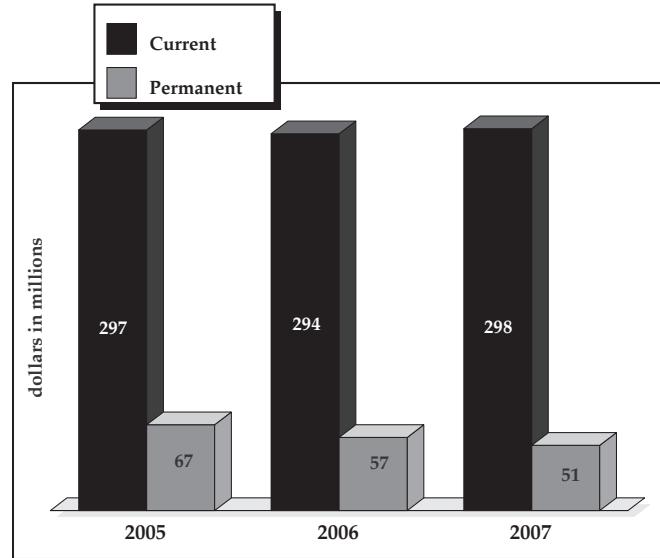
Mission — The Office of Surface Mining Reclamation and Enforcement was established in 1977 to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Indian Tribes. The OSM's primary objectives are to ensure that coal mining activities are conducted in a manner that protects citizens and the environment during mining, to ensure that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

Program Overview — The OSM carries out its mandates by providing grants to primacy States and Tribes to carry out their own regulatory and reclamation programs consistent with OSM standards. The OSM also administers regulatory and reclamation programs on Federal and tribal lands and in "non-primacy" States. The OSM works closely with States and Tribes to implement its results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners to develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA.

In the last few years, OSM has focused on innovative approaches to implementing SMCRA, shifting from direct oversight and review of State programs to measuring on-the-ground results. To maximize reclamation from available funding, OSM has implemented creative approaches and incentives to encourage reclamation of abandoned mine sites. Efforts to address acid mine drainage in the Appalachian coal region, encourage remining, and enhance abandoned mine lands reclamation allowed OSM to leverage and stretch its resources to reclaim lands and waters that otherwise might never be restored. The reclamation projects funded in 2007 will increase the number of mitigated health and safety hazards.

Management Excellence — The OSM continues to follow the President's management agenda for improving management and performance of the Federal government and practicing the Secretary's vision for citizen-centered management excellence. The OSM programs have worked extensively to step down from the goals in Interior's unified strategic plan.

OSM Funding



With the completion of the 2006 PART of the Federal Regulatory and Abandoned Mine Land program, all of OSM's major programs have been reviewed under the PART process. A key finding from these assessments was that OSM needed to develop outcome based performance measures. Over the past year, OSM has developed appropriate performance measures for all its programs and is now working to implement the measures.

The OSM has also developed and implemented a workforce planning process that converts a static workforce plan into a dynamic process by linking its master five-year plan to an annual plan that sets forth what managers hope to achieve within a fiscal year. Each annual plan is then linked to individual hiring decisions made during the course of the year, thus empowering managers to focus on developing competencies and skills needed to accomplish OSM mission goals. The framework also allows development of performance goals and measures on an annual basis, including human resource needs, and ties the approved annual plans to funding for implementation. The workforce plan takes into account where

coal is being mined, industry trends, demographics, and emerging technologies, as well as OSM's transitioning role from oversight and enforcement to technical assistance. The OSM is now able to identify competency gaps in critical occupations, along with the existence of excess staff in other areas, and target and prioritize resources to maximize the achievement of mission goals.

Budget Overview — The 2007 budget request for OSM is \$298.1 million, an increase of \$4.0 million above the 2006 enacted level.

AML Reauthorization — Section 402(a) of SMCRA establishes a per tonnage fee for mined coal. These fees are placed in the Abandoned Mine Reclamation Fund, and are used to finance reclamation of abandoned mine lands in the United States. Interest accrues on the unused portion of the collected fees and becomes part of the AML Fund. An amount of the interest earned is available for transfer to the United Mine Workers of America Combined Benefit Fund in order to help finance health benefits for unassigned beneficiaries.

The authority to collect the mine reclamation fee expires on June 30, 2006. Approximately \$3.0 billion worth of identified high priority health and safety coal-related problems still remain, along with over \$3.6 billion worth of identified high priority coal-related problems affecting the general welfare and the environment of individuals in coalfield areas. In addition to the pending expiration of the fee collection authority, there is a fundamental imbalance between the goals established by SMCRA and the way the funds are required to be allocated under the Act. Today, some States and Tribes have completed reclamation on all of their abandoned coal mine sites or are working on low priority sites, while others are still decades away from completing the most critical high priority sites. Furthermore, the States and Tribes that have certified the completion of coal sites reclamation have an estimated unappropriated balance of \$580.0 million in their State and tribal share AML accounts.

Both the 2005 and 2006 budgets were accompanied by a legislative proposal to reauthorize the abandoned mine fee that finances the AML program. The reauthorization proposal would substantially improve the program by reforming features of the current authorization that divert dollars away from the most serious reclamation needs. The proposal would also repay to certified States and Tribes fee balances that they are owed under current law. During the current session of Congress, the Administration and the Department will continue to work with the appropriate authorizing committees to secure enactment of these important reforms.

The 2007 budget includes a proposal for an interim extension of OSM's AML fee collection authority through September 30, 2007. This extension will allow the continuation of reclamation activities under current law, while allowing the Administration to continue working with Congress on finding an appropriate long-term resolution to the reauthorization discussion that would: expedite the elimination of high priority health and safety problems; pay the certified States and Tribes their share of AML fund balances over ten years; and continue the fee to fund the remaining work. Pending enactment of specific reform legislation, the budget does not propose new funding for payments to certified States and Tribes.

In 2007, OSM will continue its commitment to environmental restoration while protecting the public by reclaiming lands disturbed by pre-SMCRA mining, but not yet reclaimed. The 2007 AML request of \$185.9 million is an increase of \$688,000 above the 2006 enacted level to cover fixed costs. The funding will support OSM's abandoned mine land reclamation activities, which include State and tribal reclamation grants and high priority Federal reclamation efforts. Reclamation grants to States and Tribes will be funded at \$145.4 million. States and Tribes use these grant funds to address degraded land and water resources as a result of past mining operations.

The proposed budget continues available funding for the successful Clean Streams program to empower partners in affected communities to address important local acid mine drainage pollution. Acid mine drainage from abandoned coal mines continues to be a major source of water pollution nationwide, and in Appalachia. Acid mine drainage is the leading cause of aquatic habitat destruction, impacting many native species, such as brook trout. The Clean Streams program has been particularly effective in fostering community partnerships and maximizing efficiency in the use of local resources in restoring water resources damaged by acid mine drainage.

Regulation and Technology — The goal of the Regulation and Technology program is to implement Title V of SMCRA by providing oversight and technical support for the regulation of active mining. Total funding requested for the regulatory program is \$112.2 million, an increase of \$3.3 million above the 2006 enacted budget.

The Act provides that States should have the primary responsibility for regulating surface coal mining and reclamation operations on non-Indian lands within their borders. Twenty-four States have approved permanent regulatory programs for the regulation of coal mining activities. The program is cost effective because States are able to implement the program at a significantly

lower cost than OSM. To encourage States to assume this responsibility, SMCRA authorizes the annual award of grants to States with approved regulatory programs, for up to 50 percent of the State's cost of administering the program. The 2007 budget includes an increase of \$2.0 million for State regulatory grants, to provide program and fixed cost increases for the States' regulatory programs. Regulatory grants will allow the States and Tribes to prevent 93 percent of mine sites from causing

offsite impacts and release 80,000 acres from phase one and two performance bonds. The remaining budget increase of \$1.3 million is for OSM's fixed costs within the Regulation and Technology program.

Fixed Costs — The 2007 budget request includes an increase of \$2.4 million for non-discretionary fixed cost increases, of which \$1.9 million are budgeted and \$495,000 are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS (all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted FTE	Amount	2007 Request FTE	Amount	Change from 2006 FTE	Amount
Appropriations						
Regulation and Technology	367	108,909	369	112,209	2	+3,300
Abandoned Mine Reclamation Fund	198	185,248	199	185,936	1	+688
Subtotal, Appropriations.....	565	294,157	568	298,145	3	+3,988
Permanents and Trusts						
Abandoned Mine Reclamation Fund Transfer	0	57,000	0	51,000	0	-6,000
Subtotal, Permanents and Trusts	0	57,000	0	51,000	0	-6,000
TOTAL, OFFICE OF SURFACE MINING	565	351,157	568	349,145	3	-2,012

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Environmental Restoration.....	257	255	257	+2
Environmental Protection.....	79,821	78,395	80,965	+2,570
Technology Development and Transfer...	13,300	14,903	15,101	+198
Financial Management.....	485	481	485	+4
Executive Direction and Administration.....	14,505	14,875	15,401	+526
TOTAL APPROPRIATION	108,368	108,909	112,209	+3,300

Highlights of Budget Changes

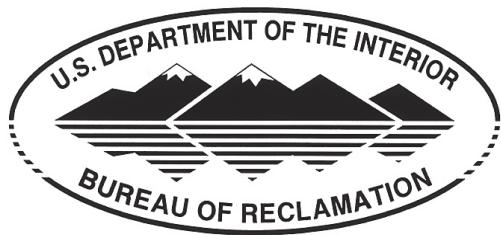
	<u>Amount</u> [+1,557]
Fixed Costs	[+1,557]
Environmental Restoration	+2
Fixed costs total \$2 of which all are budgeted.	
Environmental Protection	+2,570
A \$2,000 increase is requested for State regulatory grants. An increase of \$150 reflects a technical change to move funding for vehicle fuel to the program areas instead of maintaining funding in a central account under Executive Direction. Fixed costs total \$600 of which \$420 are budgeted and \$180 are absorbed.	
Technology Development and Transfer	+198
Fixed costs total \$283 of which \$198 are budgeted and \$85 are absorbed.	
Financial Management	+4
Fixed costs total \$6 of which \$4 are budgeted and \$2 are absorbed.	
Executive Direction	+526
A net decrease of \$150 reflects a technical change to move funding for vehicle fuel to the program areas instead of maintaining funding in a central account. The 2007 budget includes an increase of \$67 for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Departmentwide intranet, and a technical support center. Fixed costs total \$666 of which \$609 are budgeted and \$57 are absorbed.	

APPROPRIATION: Abandoned Mine Reclamation Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Environmental Restoration.....	167,861	167,609	167,855	+246
Technology Development and Transfer...	4,479	3,864	3,910	+46
Financial Management.....	8,444	6,142	6,253	+111
Executive Direction and Administration.....	7,421	7,633	7,918	+285
TOTAL APPROPRIATION	188,205	185,248	185,936	+688

Highlights of Budget Changes

	<u>Amount</u> [+825]
Fixed Costs	+246
Environmental Restoration	+246
An increase of \$51 reflects a technical change to move funding for vehicle fuel to the program areas instead of maintaining funding in a central account under Executive Direction. Fixed costs total \$279 of which \$195 are budgeted and \$84 are absorbed.	
Technology Development and Transfer	+46
Fixed costs total \$66 of which \$46 are budgeted and \$20 are absorbed.	
Financial Management	+111
An increase of \$22 reflects a technical change to move funding for vehicle fuel to the program areas instead of a central account under Executive Direction. Fixed costs total \$127 of which \$89 are budgeted and \$38 are absorbed.	
Executive Direction	+285
A net decrease of \$73 reflects a technical change to move funding for vehicle fuel to the program areas instead of maintaining funding in a central account. The 2007 budget includes an increase of \$34 for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide intranet, and a technical support center. Fixed costs total \$353 of which \$324 are budgeted and \$29 are absorbed.	



BUREAU OF RECLAMATION

Mission — The Bureau of Reclamation's mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

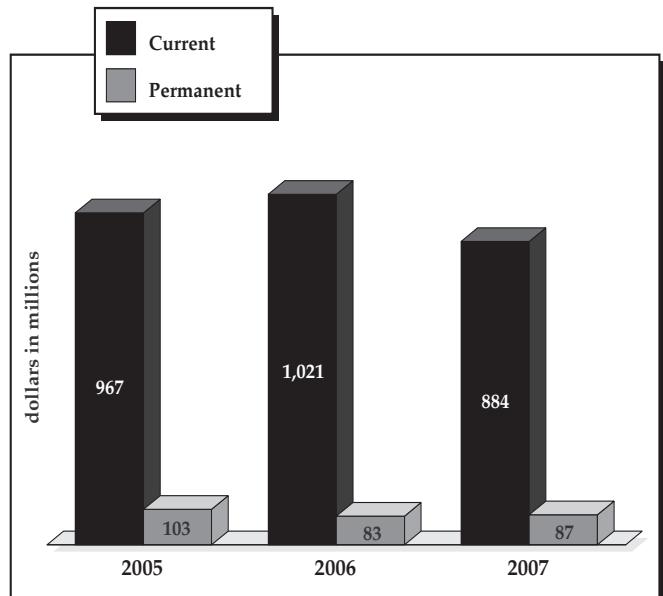
Program Overview — Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 472 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farmers for about 10 million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation's second largest producer of hydroelectric power, generating 42 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation's facilities provide substantial flood control, as well as many recreation and fish and wildlife benefits.

Since its establishment in 1902, Reclamation has developed water supply facilities that have contributed to sustained economic growth and an enhanced quality of life in the western States. Lands and communities served by Reclamation projects have been developed to meet agricultural, tribal, urban, and industrial needs. Reclamation continues to develop authorized facilities to store and convey new water supplies.

Water has become one of the scarcest resources in some of the fastest growing areas of the Nation; it is the lifeblood and foundation of the American West. In many areas existing water supplies as currently managed are, or may become, inadequate to meet the demands for water for people, cities, farms, and the environment. These supply and management challenges, coupled with the fact that the West has experienced severe drought conditions over the past several years, guarantee that water supply-related crises will become more frequent if action is not taken now.

Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2007 and beyond. One of several ways that Reclamation is assisting the West in addressing its water supply issues is Water 2025.

Reclamation Funding



Reclamation's Water 2025 initiative addresses the challenge of preventing crises and conflict over water in the West. By increasing the certainty, flexibility, diversity, and efficiency of water supplies across the West, local governments and irrigation districts will be better prepared to meet the needs of people, cities, farms, and the environment that are currently in danger of going unmet, even in normal water years.

Management Excellence — Reclamation continues to strive for excellence in the President's management agenda. Efforts toward advancing management excellence in the 2007 budget include improvements in performance based budgeting; program evaluations utilizing the Program Assessment Rating Tool process; and managerial studies to improve organizational, management, and resource configurations.

At Reclamation's request, the National Academy of Science's National Research Council appointed a 12-member committee to conduct a study entitled *Organizing to Manage Construction and Infrastructure in the 21st Century*,

Bureau of Reclamation. By March of 2006, Reclamation will submit an action plan to the Secretary for addressing the report's findings and recommendations. Please refer to the Management Excellence chapter for additional details about the committee's findings and recommendations.

As part of the 2007 budget development process, Reclamation and OMB evaluated three programs using PART. The safety of dams program was rated effective. For this program, the Administration has identified the need to establish performance data and track performance. The site security program was rated moderately effective, with improvements needed in budget and performance integration. The PART also rated the water management/supply operations and maintenance as adequate. Improvement plans for this program include developing a comprehensive strategy to operate and maintain Reclamation facilities.

Budget Overview — Total budget authority for Reclamation in 2007 is \$936.7 million, including current and permanent appropriations and offsets.

The 2007 request for current appropriations is \$883.6 million, a decrease of \$137.2 million below the 2006 enacted level, including the canceling of \$88.0 million of unobligated balances for the At Risk Desert Terminal Lakes program. The request for current appropriations is offset by discretionary receipts in the Central Valley Project Restoration Fund, estimated to be \$33.8 million, which results in a net discretionary request of \$849.8 million, a decrease of \$127.0 million below the 2006 enacted level. The request for permanent appropriations in 2007 totals \$87.2 million.

Water and Related Resources — The 2007 request for Reclamation's principal operating account is \$833.4 million, which is a reduction of \$41.3 million. This request is further reduced by the proposed cancellation of \$88.0 million in unobligated balances for the At Risk Desert Terminal Lakes program. Consistent with 2006 congressional action, under-financing, undistributed reductions in anticipation of delays in construction schedules and other planned activities, is eliminated in the 2007 budget request.

The budget proposal continues to emphasize assuring operation and maintenance of Bureau of Reclamation facilities in a safe, efficient, economic, and reliable manner; ensuring systems and safety measures are in place to protect the public and Reclamation facilities; working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, Tribes, and local entities in solving contemporary water resource issues. Funding

for each project or program within Reclamation's budget request is based upon Departmental and bureau priorities, compliance with the Department of the Interior strategic plan, and performance accomplishments.

The 2007 request includes a total of \$456.5 million for water and energy, land, and fish and wildlife resource management development activities. Funding in these activities provides for construction, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The 2007 budget request also provides a total of \$376.9 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

Water 2025, Preventing Crises and Conflicts — The 2007 budget includes an increase of \$9.6 million for Water 2025, for a total funding level of \$14.5 million. The Administration will submit legislation for the authorization necessary to accomplish the goals of this program.

The overarching goal of Water 2025 is to meet the challenge of preventing crises and conflicts over water in the West. Water 2025 will achieve this by increasing the certainty and flexibility of water supplies, diversifying water supplies, and preventing crises through added environmental benefits in many watersheds, rivers, and streams.

Competitive 50-50 Challenge Grant Program — The Challenge Grant program remains an integral part of Water 2025 in 2007. Reclamation will continue to seek proposals from irrigation and water districts, western States, and other local entities that are willing to leverage their money and resources to take on-the-ground actions to prevent water-related crises and conflicts.

Water System Optimization Reviews — In some areas of the West, it may be necessary to develop new surface water supplies and infrastructure. However, the fiscal, legal, and political hurdles to the development of significant new supplies make it imperative that existing water supply infrastructure be fully utilized within the framework of existing treaties, interstate compacts, water rights, and contracts. Reclamation will work with willing States, irrigation and water districts, and other local entities to

assess the potential for water management improvements in a given basin or district.

Improved Water Purification Technology — Lowering the cost of desalination is one of the key tools to managing scarce water resources because of the potential it offers to expand usable water supplies. A portion of the funding requested will be used to award competitive, cost-shared research and development cooperative agreements that focus on inland brackish ground waters, energy efficiencies, and management of concentrates.

A majority of the funding requested for this component will support operations and research and development conducted at the Tularosa Basin National Desalination Research Facility, which is proposed to be re-named the Brackish Groundwater National Desalination Research Facility and scheduled to be operational in 2007. The budget request includes funds for start-up operations, including hiring an external organization to operate the facility under Reclamation direction and starting initial research and development.

Project Requests — The budget request includes \$57.4 million for the Animas La Plata project, an increase of \$2.0 million, to continue implementation of the Colorado Ute Settlement Act. This funding will provide for continued construction of the Ridges Basin Dam and Durango Pumping Plant, and for initiation of construction of the Ridges Basin Inlet Conduit.

The request provides \$27.2 million for the Central Arizona Project, an increase of \$5.1 million that will address a revised funding and work schedule for the Indian Distribution Division and enable Reclamation to meet requirements of the Arizona Water Rights Settlement Act.

The request includes \$120.2 million for operating, managing, and improving California's Central Valley Project. The CVP replacements, additions, and extraordinary maintenance program includes a total of \$18.3 million, a decrease of \$3.7 million, for such items as replacement of a generator excitation system; refurbishment and overhaul of machinery; and stabilization and seismic upgrades for buildings at fish hatcheries. The decrease in the replacement, additions, and maintenance program reflects the progress that has been made in addressing aging CVP facilities, due to solid funding levels for the program over the past several years. These continued investment improvements will increase facility efficiencies and reliability.

The 2007 Reclamation budget request includes \$15.2 million for the Colorado-Big Thompson project and \$17.0 million for Lower Colorado River operations. The Bureau of Reclamation remains committed to maximizing efficient

ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

Removal of the Savage Rapids Dam is funded at \$13.0 million, an increase of \$11.5 million. Removal of this irrigation diversion dam and the installation of pumping facilities will allow the local farming community to continue irrigated agriculture and remove a migration barrier for the threatened Southern Oregon and Northern California coho salmon.

The budget requests \$11.3 million for Endangered Species Act recovery implementation programs and \$17.3 million for Columbia and Snake River salmon recovery, which represent a combined increase of \$2.8 million. The Klamath project is funded at \$24.8 million, an increase of \$3.9 million. The request includes \$4.4 million for investigations to increase water storage and conservation, an increase of \$2.4 million, or 123 percent, from 2006.

The Middle Rio Grande project is funded at \$23.8 million, which will continue funding of endangered species activities, as well as repair of priority river maintenance sites. The Salton Sea research project is funded at \$743,000.

The 2007 Reclamation budget request funds Mni Wiconi, Garrison Diversion Unit, Fort Peck Reservation/Dry Prairie, and Lewis and Clark rural water systems at \$68.7 million, which is \$14.4 million below the 2006 level.

Since the early 1980's, Congress has directed Reclamation to develop 13 independently authorized, single-purpose municipal and industrial water supply projects for rural communities throughout the West. As part of development of the 2004 budget, Reclamation participated in two performance assessments – the PART and a review to develop a set of common performance measures for all Federal agencies that play a role in delivering water to rural areas. Both assessments found shortcomings in Reclamation's involvement in rural water projects, mainly due to the lack of a formal rural water program.

Consistent with the assessments' recommendations, legislation has been introduced in Congress that would allow the Interior Department and Administration to set priorities and establish a Reclamation rural water program with adequate controls and clear guidelines for project development. The Administration has been working with the Congress on the rural water legislation that has passed the Senate and awaits action by the House of Representatives.

A total of \$69.0 million is requested for Reclamation's safety of dams program, an increase of \$7.7 million. This

funding includes \$49.2 million to initiate safety of dams corrective actions and \$18.3 million for safety evaluations of existing dams. Also included is \$1.5 million for the Department of the Interior Safety of Dams program.

A total of \$39.6 million, the same level as 2006 enacted, is requested for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$15.4 million for physical security upgrades and \$24.2 million to continue all aspects of Reclamation-wide security efforts, including law enforcement, risk and threat analysis, implementing security measures, security risk assessments and security-related studies, and guards and patrols. The 2007 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations. This will provide Reclamation with an estimated additional \$10 to \$12 million for site security.

The request funds Title XVI water reclamation and reuse projects at \$10.1 million, a reduction of \$15.5 million from the 2006 enacted level. This request level is similar to previous budget requests.

The Yakima project and Yakima Basin enhancements are funded at \$20.6 million, an increase of \$4.7 million from 2006 enacted. The increase will fund initiation of several maintenance and rehabilitation projects on the Yakima project and enhancements that include a water conservation implementation program and acquisition of key parcels in the Yakima River basin from willing sellers.

The budget proposes to re-allocate repayment of capital costs of the Pick-Sloan Missouri Basin program. Power customers would be responsible for repayment of all construction from which they benefit, whereas to date they have only been responsible for a portion of these costs. This change would increase reimbursements from power customers by an estimated \$23.0 million in 2007 and in the out-years. The Administration has submitted legislation to Congress to re-allocate repayment of construction and operations costs for this project to power customers. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The re-allocation will likely result in modest increases to power rates for Pick-Sloan customers, which could be phased-in over time and then phased-out after project costs are repaid.

Central Valley Project Restoration Fund — The 2007 budget includes a request of \$41.5 million for the Central Valley project restoration fund, which is the estimated level of collections from CVP water and power users. This

budget request is offset by collections estimated at \$33.8 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

The 2007 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling the natural production of anadromous fish; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

California Bay-Delta Restoration — The budget requests \$38.6 million for CALFED, pursuant to the Calfed Bay-Delta Authorization Act that was signed into law on October 25, 2004. The legislation provides a six-year Federal authorization to implement the collaborative CALFED program. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

Funding for California Bay-Delta Restoration is requested in the following program areas: \$10.9 million for the environmental water account; \$11.4 million for the storage program; \$5.2 million for water conveyance; \$247,000 for water use efficiency; \$2.0 million for ecosystem restoration; \$3.0 million for water quality; \$3.0 million for science; and \$3.0 million for Reclamation's oversight function to ensure program balance and integration.

Reclamation's Working Capital Fund — This fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the technical service center and management services and human resources in regional and area offices; and information technology-related costs and services. The fund operates on a self supporting basis through user charges deposited in the fund.

Other Accounts — No funding is requested for the Loan program. The request for Policy and Administration, the account that finances Reclamation's central management functions, is \$58.1 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$83.3 million in 2007.

Department of the Interior's Centralized Services

— The 2007 Reclamation budget includes an increase of \$460,000 for projects funded through Interior's Working Capital Fund including, consolidation of diverse,

separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Interior Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)*Comparison of 2007 Request with 2006 Enacted:*

	2006 Enacted FTE	Amount	2007 Request FTE	Amount	Change from 2006 FTE	Amount
Appropriations						
Water and Related Resources	3,147	874,679	3,143	745,424	-4	-129,255
Desert Terminal Lakes Rescission.....	0	0	0	[-88,000]	0	[-88,000]
Loan Program	1	0	1	0	0	0
Policy and Administration.....	289	57,338	289	58,069	0	+731
CVP Restoration Fund.....	27	52,136	27	41,478	0	-10,658
California Bay-Delta Restoration.....	8	36,630	8	38,610	0	+1,980
Working Capital Fund.....	1,870	0	1,862	0	-8	0
Subtotal, Appropriations.....	5,342	1,020,783	5,330	883,581	-12	-137,202
Central Valley Project Restoration Fund Offset.....	0	-43,918	0	-33,755	0	+10,163
Net Discretionary	5,342	976,865	5,330	849,826	-12	-127,039
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	206	80,974	208	83,309	+2	+2,335
Basin Funds.....	202	0	202	0	0	0
Spectrum Relocation Activities	0	0	0	4,550	0	+4,550
Loan Program Subsidy Re-estimate	0	2,058	0	0	0	-2,058
Loan Program Liquidating Account	0	-2,570	0	-2,606	0	-36
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	5	1,334	5	1,334	0	0
San Gabriel Basin Restoration Fund.....	0	445	0	300	0	-145
Subtotal, Permanents and Other.....	413	82,521	415	87,167	+2	+4,646
San Gabriel Basin Restoration Fund Offset.....	0	-445	0	-300	0	+145
TOTAL, RECLAMATION APPROPRIATIONS	5,755	1,103,304	5,745	970,748	-10	-132,556
TOTAL, RECLAMATION, NET OF RECEIPTS	5,755	1,058,941	5,745	936,693	-10	-122,248

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Animas La Plata Project	50,341	55,440	57,420	+1,980
Boise Area Projects	6,006	4,737	5,229	+492
Central Arizona Project	27,214	22,096	27,203	+5,107
Central Valley Project	139,148	128,100	120,187	-7,913
Colorado-Big Thompson.....	14,057	15,717	15,195	-522
Colorado River Basin Salinity Control.....	20,640	22,453	22,652	+199
Colorado River Storage Project	12,034	12,998	10,201	-2,797
Columbia Basin Project	10,592	11,050	10,154	-896
Columbia/Snake River				
Salmon Recovery.....	17,889	16,581	17,325	+744
Dam Safety Program.....	47,230	61,342	69,003	+7,661
Endangered Species				
Recovery Implementation.....	10,668	9,222	11,299	+2,077
Klamath Project	22,935	20,844	24,750	+3,906
Lower Colorado River				
Operations Program	16,734	16,954	17,028	+74
Middle Rio Grande Project	27,050	27,795	23,760	-4,035
Native American Affairs	7,093	8,044	6,307	-1,737
Pick-Sloan Missouri Basin Program	34,302	39,877	41,850	+1,973
Rural Water Projects				
Fort Peck Reservation Dry Prairie	6,205	15,840	5,000	-10,840
Garrison Diversion Unit.....	24,119	27,321	24,221	-3,100
Lewis and Clark Rural Water	12,137	17,325	21,000	+3,675
Mid-Dakota Rural Water.....	19,553	410	15	-395
Mni Wiconi Project.....	28,192	29,261	32,170	+2,909
North Central MT Rural Water Supply	887	5,692	0	-5,692
Perkins County Rural Water Systems..	1,994	947	0	-947
Less Non-Rural Water Component	-14,838	-13,694	-13,699	-5
Rural Water Projects, Total.....	78,249	83,102	68,707	-14,395
Savage Rapids Dam.....	1,650	1,485	13,000	+11,515
Science and Technology Program.....	15,117	16,130	8,539	-7,591
Site Security.....	42,305	39,600	39,600	0
Water 2025	17,883	4,950	14,500	+9,550
Water Conserv Field Services Program....	6,108	9,943	7,221	-2,722
Title XVI Water Reclam./Reuse Projects..	22,072	25,642	10,100	-15,542
Yakima Project/Basin Water Enhance.....	15,639	15,920	20,641	+4,721
Yuma Area Project.....	27,522	21,799	22,732	+933
Other Project/Programs.....	162,127	182,858	148,821	-34,037
Underfinancing.....	Applied	0	0	0
Subtotal before rescission.....	852,605	874,679	833,424	-41,255
Desert Terminal Lakes Rescission.....	0	0	-88,000	-88,000
Net Transfers.....	2,000	0	0	0
TOTAL APPROPRIATION (w/o drought supp.) ..	854,605	874,679	745,424	-129,255
Drought Supplemental.....	5,000	0	0	0
TOTAL APPROPRIATION (w/ drought supp.) ...	859,605	874,679	745,424	-129,255

Program Highlights

The 2007 request includes funds for the following projects and programs.

Animas La Plata Project

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas La Plata project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities. Funding will provide for continued construction of the Ridges Basin Dam and Durango pumping plant, and for initiation of construction of the Ridges Basin inlet conduit.

Boise Area Projects

The request provides funds for operation, maintenance, and rehabilitation of project facilities.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community distribution system, San Xavier existing farm, and San Carlos Apache distribution system. Other work activities include recreation development; fulfilling endangered species mitigation commitments for the Roosevelt Dam and for the CAP aqueduct; and work with Tucson area municipal entities on Tucson aqueduct reliability.

Central Valley Project

Funds are requested for continued facility operations, maintenance, rehabilitation, and for numerous management and development efforts, including construction of the American River pump station; water conservation and drainage management programs; the Trinity River restoration program; construction of screens on unscreened diversions; and mitigation of fish losses at Tracy pumping plant. Related activities will be funded by the CVP restoration fund and California Bay Delta appropriation.

Colorado-Big Thompson

The Colorado-Big Thompson Project diverts approximately 260,000 acre-feet of water annually from the Colorado River headwaters on the western slope of the Rocky Mountains for distribution to eastern slope project lands. Key areas of focus in 2007 are the replacement of the supervisory control and data acquisition system throughout the project area and concrete repairs to the spillway, parapet walls, and stilling basin at Green Mountain Dam and powerplant.

Colorado River Basin Salinity Control Program

The Yuma desalting plant will be maintained in ready reserve status, while Reclamation works to identify and evaluate the options for replacing or recovering bypass flows to Mexico and continues a demonstration program to determine the viability of paying holders of Colorado River water delivery contracts to temporarily forebear the use of water. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River basin and for a basin-wide program to identify and implement cost effective salinity control options based on proposals from non-Federal interests.

Colorado River Storage Project

Funds are requested for the Federal share of the costs of facility operations, maintenance, and rehabilitation, including the rehabilitation of recreation facilities at Reclamation-constructed reservoirs. Funds are provided for repairs at the Upper Stillwater Dam. Implementation of mitigation measures continues, including work on temperature control modifications on Glen Canyon Dam.

Columbia Basin Project

Bonneville Power Administration, through a memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds, through subagreements, major power replacements, additions, and improvements. Funds are requested to continue on-going support for the planning and implementation of effective water conservation measures with water districts and other entities under the water conservation field service program. The project also continues the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump and generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works.

Columbia and Snake River Salmon Recovery

This program addresses requirements in biological opinions issued in December 2000 by FWS and in November 2004 by the National Marine Fisheries Service. The 2004 biological opinion has been remanded to NOAA Fisheries and a new biological opinion is due in October 2006. During the remand, the 2004 biological opinion remains in place as Reclamation continues to implement actions identified in the 2004 updated proposed action. These requirements include significantly increased regional coordination efforts; actions to modify the daily, weekly, and seasonal operation of Reclamation dams; acquisition of water flow augmentation; tributary habitat activities in selected subbasins to offset hydrosystem impacts; and significantly increased research, monitoring, and evaluation.

Dam Safety Program

Funds are requested for the safety evaluation of existing dams program, for corrective actions on individual dams, and for other dam safety activities. Funding continues dam safety management and risk reduction activities at Reclamation's 361 high and significant hazard dams. Corrective actions are planned to continue or start on Deer Flat Dam (ID), Hyrum Dam (UT), Lauro Dam (CA), Folsom Dam (CA), Stony Gorge Dam (CA), Stampede Dam (CA), Echo Dam (UT), Scofield Dam (UT), Morrow Point Dam (CO), Deer Creek Dam (UT), Grassy Lake Dam (WY), and Glendo Dam (WY). Funds are also provided for minor modifications at other facilities and for the Department of the Interior dam safety program.

Endangered Species Recovery Implementation

This program provides for the development and implementation of measures for the preservation, conservation, and recovery of native and endangered, threatened, proposed, and candidate species that are resident in, or migratory to, habitats affected by the operation of Reclamation projects. On-going efforts funded by this program involve the Colorado, San Juan, and Platte river basins, as well as watersheds in the Pacific Northwest.

Klamath Project

The request continues and increases funding for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs in the Klamath River basin. Key areas of focus include increasing surface and groundwater supplies, continuing a water bank, making improvements in fish passage and habitat, taking actions to improve water quality, and continuing coordination of Reclamation's conservation implementation program.

Lower Colorado River Operations Program

This program funds work necessary to carry out the Secretary's responsibilities as water master of the lower Colorado River. It funds measures under the multi-species conservation program to provide long term Endangered Species Act compliance for lower Colorado River operations for both Federal and non-Federal purposes.

Middle Rio Grande Project

Funds are provided for operations, maintenance, and rehabilitation of project facilities, and for Bureau of Reclamation efforts focused on the protection and recovery of the Rio Grande silvery minnow and southwestern willow flycatcher.

Native American Affairs Program

This program provides funding for efforts to promote the successful application of Reclamation's programs to Indian issues and needs; for support for Indian water rights negotiations and the implementation of enacted settlements; and for assistance to Tribes in their efforts to become self-sufficient in the management and development of their water resources.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of facilities on thirty-three units of the Pick-Sloan Missouri Basin program.

Rural Water Projects

Fort Peck Reservation/Dry Prairie

This project addresses the quality of groundwater throughout the Fort Peck reservation and the non-Federal Dry Prairie service area that is generally poor because concentrations of iron,

manganese, sodium, sulfates, bicarbonates, and total dissolved solids are above recommended standards. Funds are requested for continued construction of the Fort Peck Reservation regional water treatment plant and for construction of branch distribution lines.

Garrison Diversion Unit

Funds are requested for grants to the State of North Dakota for municipal, rural, and industrial water projects; for development of MR&I water and Indian irrigation facilities; for work at several wildlife refuges; and for operation and maintenance of completed project facilities.

Lewis and Clark Rural Water

This water system addresses concerns regarding the low quality, contamination vulnerability, and insufficient supply of existing drinking water sources in five counties in southeast South Dakota, two counties of southwest Minnesota, and five counties of northwest Iowa. Funds are requested for continued construction of several segments of treated waterline, acquisition of pipeline rights-of-way, and design of treated water pipelines and a water treatment plant.

Mid-Dakota Project

This project will be completed in 2006 and non rural water funding is requested for the operations and maintenance costs associated with wetlands mitigation.

Mni Wiconi Project

Funds are requested for design and construction activities on the Oglala Sioux and Rosebud Sioux Indian reservations and West River/Lyman-Jones rural water systems; and for operation and maintenance of new and existing facilities on the Indian reservations, including the rural water system on the Lower Brule Sioux reservation that will be completed in 2006.

Savage Rapids Dam Removal

Funding is provided to continue construction of a pumping facility to allow Grants Pass irrigation district to comply with a Federal court consent decree requiring the district to cease irrigation diversions using Savage Rapids Dam.

Science and Technology Program

Funds are requested for development of new solutions and technologies that respond to Reclamation's mission-related needs and that provide for innovative management, development, and protection of water and related resources.

Site Security

Funds are requested to continue Reclamation's on-going site security efforts that include physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities, security risk assessments, and security-related studies.

Water 2025

Water 2025 is a multi-faceted program with components that embody the overarching goal of preventing crises and conflict over water in the West. Water 2025 will increase certainty and flexibility in water supplies, diversify water supplies, and prevent crises through added environmental benefits in many watersheds, rivers and streams. Implementation of Water 2025 in 2007 includes continuation of the competitive 50-50 challenge grant program to take on-the-ground actions to prevent water-related crisis and conflicts; and beginning in 2007, water system optimization reviews to assess the potential for water management improvements in a given basin or district.

Water Conservation Field Services Program

Funds are requested to support area and regional offices to provide technical assistance in development of effective water management and conservation plans; promote and support water management and conservation training; demonstrate conservation technologies; encourage and promote implementation of water efficiency measures; outreach; and a limited amount of cost shared assistance related to the implementation of water efficiency and conservation measures.

Title XVI Water Reclamation and Reuse Program

Funds are requested to continue Federal cost sharing for eight water reclamation and reuse projects and studies and to conduct a water recycling and desalination research program that includes studies of potential water reclamation and reuse projects.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities and the implementation of water conservation; fish and wildlife improvements; and other measures authorized by the Yakima River Basin Water Enhancement Act, including the Kennewick study. Funding is also included to begin implementation of the Yakama Nation's water conservation plans.

Yuma Area Projects

The request funds infrastructure maintenance along the lower Colorado River necessary to ensure uninterrupted water delivery to both urban and agricultural users in Arizona and California, and to Mexico. Work also includes river management, well inventory, flood and drainage control, protection of endangered species and their habitat, and land use management activities.

APPROPRIATION: Policy and Administration

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	57,688	57,338	58,069	+731

Program Highlights

Policy and Administration

This appropriation funds Reclamation's centralized management functions and supports management and administrative activities that are not directly chargeable to a specific project or program.

APPROPRIATION: Central Valley Project Restoration Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Fish and Wildlife Resources Habitat	44,871	47,136	36,578	-10,558
Fish and Wildlife Resources Mgt	9,757	5,000	4,900	-100
TOTAL APPROPRIATION	54,628	52,136	41,478	-10,658

Program Highlights

Central Valley Project Restoration Fund

Funds collected from project beneficiaries are used for the protection, restoration, and enhancement of fish and wildlife and associated habitat in the CVP area of California. Programs are planned in cooperation with FWS and the Central Valley Project Restoration Fund Roundtable.

APPROPRIATION: California Bay-Delta Restoration

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	0	36,630	38,610	1,980

Program Highlights

This account funds activities that are authorized by the CALFED Bay-Delta Authorization Act that was signed into law on October 25, 2004, which focuses on the health of the Sacramento-San Joaquin Delta ecosystem and improving water management and supplies. Funds are requested for the environmental water account, the storage program, conveyance, water use efficiency, ecosystem restoration, science, water quality, and planning and management activities.



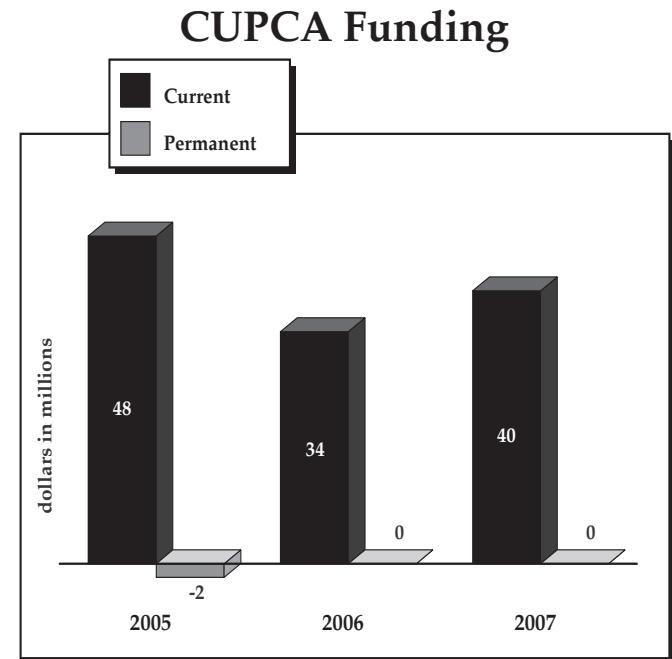
CENTRAL UTAH PROJECT

Mission — The purpose of this program is to complete the Central Utah Project in a timely and environmentally sound manner.

Program Overview — The Central Utah Project Completion Act provides for completion of the project by the Central Utah Water Conservancy District. The Completion Act also authorizes funding for fish, wildlife, and recreation mitigation and conservation activities; establishes the Utah Reclamation Mitigation and Conservation Commission to oversee implementation of those activities; and authorizes funding for the Ute Indian water rights settlement. A program office located in Provo, Utah provides a liaison function with the District, Mitigation Commission, and the Ute Indian Tribe and otherwise assists in carrying out responsibilities of the Secretary.

Accomplishments in 2005 on projects funded by the Water Conservancy District include continued funding of the Federal share of the completed Diamond Fork system; continued construction of Uinta Basin replacement project facilities; completion of the planning and National Environmental Policy Act compliance for the Utah Lake system and initiation of pre-construction activities; implementation of two additional water conservation measures for a total of 37 measures, which conserved about 90,200 acre-feet of water in 2005; and implementation of three new local development projects.

Accomplishments in 2005 for projects funded through the Mitigation Commission include acquisition of 48 acres to complete an additional mile of main river channel restoration work and two miles of tributary restoration on the Provo River. Restoration is now complete for eight miles of a nearly ten-mile habitat restoration project on the Provo River. The Commission is a key partner in funding recovery measures for the endangered June sucker in Utah Lake and the Provo River. In 2005, the Commission completed construction of a facility that will raise 30,000 June suckers annually for recovery stocking. About 302 acres of intermixed wetlands and uplands were purchased for the Utah Lake wetlands preserve, bringing the total project area acquired to 5,712 acres.



As part of the 2007 budget development process, the Central Utah Project was evaluated using the Program Assessment Rating Tool. The project was rated as adequate, concluding that it has a strong track record of building infrastructure in a cost-effective fashion; working closely with local water management entities; meeting its water delivery contracts; and meeting many of the environmental mitigation targets outlined in the 1992 authorizing legislation.

Budget Overview — The 2007 Central Utah Project budget is \$40.2 million, an increase of \$6.1 million above the 2006 enacted level. The increase will maintain progress towards timely completion of the project.

The request continues construction of the enlarged Big Sand Wash Dam and Reservoir, a feature of the Uinta Basin replacement project; continues to implement approved local development projects and water management improvement projects; provides funding for design work and construction of the Spanish Fork Canyon pipeline, a feature

of the Utah Lake system; and implements fish, wildlife, and recreation mitigation and conservation projects.

The request includes \$37.1 million for planning and construction activities administered by the District; \$1.6 million for program administration; \$519,000 for mitigation and conservation activities funded through the program office; and \$965,000 for mitigation and conservation activities funded through the Mitigation Commission.

The 2006 Energy and Water Development Appropriation Act included \$6.7 million in the Western Area Power Administration's budget for transfer to the Mitigation Commission as required by section 402 of the Central Utah Project Completion Act. The 2007 CUPCA budget request assumes that the Western Area Power Administration's 2007 budget request will include \$6.9 million for this annual mitigation payment to the Commission.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted FTE	2006 Enacted Amount	2007 Request FTE	2007 Request Amount	Change from 2006 FTE	Change from 2006 Amount
Appropriations						
Central Utah Project Completion Account.....	5	33,070	5	39,190	0	+6,120
Utah Reclamation Mitigation and Conservation....	0	937	0	965	0	+28
Subtotal, Appropriations.....	5	34,007	5	40,155	0	+6,148
Permanents and Other						
Utah Reclamation Mitigation and Conservation....	13	0	13	0	0	0
Subtotal, Permanents and Trusts	13	0	13	0	0	0
TOTAL, CENTRAL UTAH PROJECT	18	34,007	18	40,155	0	+6,148

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Central Utah Project Completion Account

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Central Utah Project Construction.....	29,866	30,958	37,068	+6,110
Mitigation and Conservation	694	393	519	+126
Program Administration.....	1,720	1,719	1,603	-116
TOTAL APPROPRIATION	32,280	33,070	39,190	+6,120

Program Highlights

Central Utah Project Construction

The request includes \$37,068 for use by the Central Utah Water Conservancy District, including \$15,204 to continue construction on the Uinta Basin replacement project; \$3,958 to implement approved local development projects and water management improvement projects; and \$17,906 to complete design and begin construction of the Utah Lake System.

Mitigation and Conservation

The request includes \$519 for activities funded through the program office.

Program Administration

The \$1,603 supports the program office in Provo, Utah, and other activities necessary to carry out responsibilities of the Secretary.

APPROPRIATION: Utah Reclamation Mitigation and Conservation Account

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	15,345	937	965	+28

Program Highlights

Fish, Wildlife, and Recreation Mitigation and Conservation

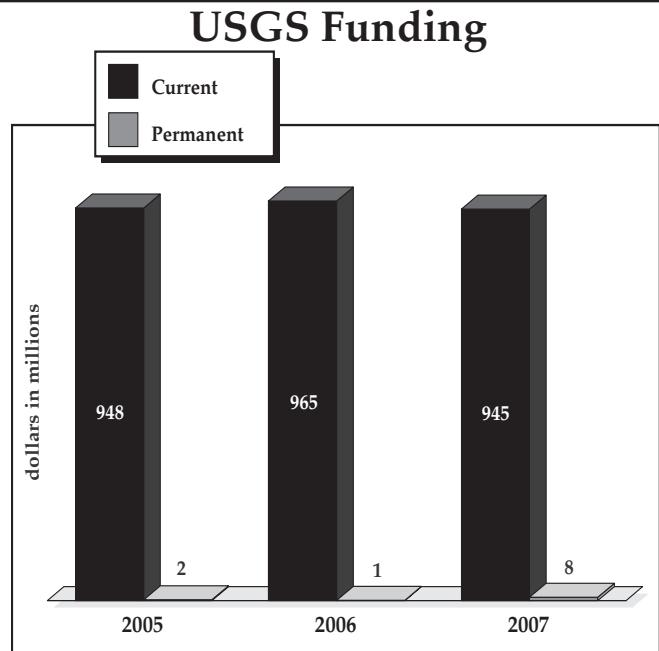
The request includes \$777,000 for use by the Utah Reclamation Mitigation and Conservation Commission to implement the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III; and \$188,000 to complete mitigation measures agreed to by the Bureau of Reclamation.

Mission — The mission of the U.S. Geological Survey is to provide reliable scientific information to: describe and understand the Earth; minimize loss of life and property from natural disasters; assist others in managing water, biological, and other natural resources; and enhance and protect the quality of life.

Program Overview — The USGS provides a broad range of expertise in geography, geology, hydrology, and biology. The USGS places a special emphasis on providing science to the land and resource management bureaus of the Interior Department. The USGS hazards programs produce information and enhance understanding of natural hazards, such as earthquakes, volcanoes, and landslides, which are used to reduce the impacts of these events on human life and the economy. The USGS is a primary Federal source of objective resource assessments and unbiased research on oil, gas, and alternative energy potential, production, consumption, and environmental effects. These investigations enable the Nation to make sound decisions regarding domestic energy production with an understanding of potential impacts on the environment.

The USGS analyses of water quality and quantity help water managers develop, regulate, and monitor management practices to ensure the continued availability of water resources for human consumption, agriculture, business, recreation, and fish and wildlife and habitat. Biological studies are used to help maintain healthy ecosystems and natural resources so that these habitats can continue to provide food, energy, medicine, transportation, and recreation. The USGS geography program is expanding its partnerships with Federal agencies and State and local governments to develop and promote use of the geographic data and mapping products that are important tools for States, local public and private entities, universities, and citizens for economic and community development, land and natural resource management, and health and safety services.

To deliver the most accurate, timely, and impartial science possible, USGS is seeking ways to integrate its diverse programs, capabilities, and talents to address those issues that require a multi-disciplinary solution. The USGS places



great value on partnerships and is increasing customer involvement to work collaboratively on issue identification, resource needs, and science solutions. Natural and biological science supports informed decisionmaking by land and resource managers at Federal, State, and local levels; government program managers; industrial and agricultural corporations; scientists and academia; and the public.

Management Excellence — The USGS continues to advance the President's management agenda for improving performance of the Federal government and practicing the Secretary's vision for citizen-centered management excellence. The 2007 budget supports the Department's unified strategic plan, specifically in relation to informing decisions through the application of science and advancing knowledge through scientific leadership.

The USGS will carry on its efforts to expand partnerships with other Interior bureaus; other Federal, State, and local agencies; academia; and the public sector to address diverse issues on the landscape. The effort to strengthen existing partnerships and build new ones,

especially with Interior bureaus, is enhanced through USGS regional offices, which work closely with their counterparts in other Interior bureaus. Regular meetings between USGS leadership and that of the Interior bureaus also enhance these efforts. Increased communication and the close proximity of USGS managers and scientists to Interior land and resource managers allow USGS to be more responsive to regional and local issues and provide the scientific expertise and leadership necessary to assist managers in solving their current problems and addressing their future science needs.

The USGS has been engaged in workforce analysis and workforce planning for the past few years, as the bureau looks towards the future. The USGS seeks to renew and restructure its workforce so that it can undertake new avenues of scientific research that currently are beyond its technical and organizational capabilities. These efforts will help USGS address future science needs and accommodate resources over the years to come. In 2006 and 2007, USGS will continue its restructuring efforts focusing on the National Geospatial Programs Office, the National Geospatial Technical Operations Center, water district offices, regional offices, the Columbia Environmental Research Center, and the Geology program. In 2007, USGS is planning to begin restructuring efforts associated with its regional structure. Future efforts will also include an analysis of the USGS headquarters functions.

As a result of buyouts and early outs associated with the workforce restructuring, by the end of 2005, 130 FTEs were reduced in the geography discipline, library service functions, and Colorado Water Science Center. These workforce restructures have resulted in over \$13.0 million in salary savings that were reinvested in high priority science programs within USGS, including science partnerships. For example, savings stemming from the workforce restructure of the National Map were primarily reinvested back into partnership funding for the National Map.

In 2006, USGS estimates that at least 154 FTE will accept buyout and early out offers, producing savings in 2007 that will be re-invested in USGS science programs to meet operational costs and help fund important new and expanded science initiatives, such as the new multi-hazards initiative proposed in 2007.

As part of the 2007 budget process, the National Cooperative Geologic Mapping program and activities in biological research, monitoring, and information collection and dissemination were reviewed using the Performance Assessment Rating Tool. All of the programs were found to be moderately effective.

Budget Overview — The 2007 USGS budget request is \$944.8 million in current appropriations, a decrease of \$20.6 million below the 2006 enacted level, excluding the hurricane supplemental. The 2007 budget continues to focus research on the highest research priorities of today, while ensuring that USGS builds the expertise it needs to continue answering the complex research questions that arise tomorrow. The budget adds \$40.1 million in new programs and fixed costs, which are offset by redirecting \$50.7 million from lower priority activities and eliminating \$10.0 million in earmarked funding.

Partnerships — Partnerships are a crucial part of USGS science efforts. The USGS works in close cooperation with more than 2,000 Federal, State, tribal, and local governmental agencies, private sector companies, and non-profit organizations across the country. Partnerships provide highly effective means to leverage resources among many contributors, bringing a greater wealth of knowledge, expertise, and capability for important land and resource management issues.

Geography — The 2007 request of \$76.6 million in Geography supports a strong role for USGS in land remote sensing and geographic research. The request level is \$52.7 million below 2006 due to the transfer of the Cooperative Topographic Mapping program to Enterprise Information, as part of a proposed restructure. The restructure is necessary to allow USGS to better focus efforts on developing geographic research and applications activities within the Geographic Analysis and Monitoring and Land Remote Sensing programs. The restructure also allows USGS to bring the geospatial data coordination, standards, partnerships, and policy development efforts for the Federal Geographic Data Committee, Geospatial One-Stop, and the National Map together in one organization.

Increases to the Geography program budget include \$16.0 million in land remote sensing to complete the design and begin building ground station capabilities to collect, archive, and distribute Landsat data from the new Landsat 8 satellite, which is to be built by the National Aeronautics and Space Administration and is currently estimated to launch in January 2010. Once the satellite is launched, USGS will take over its operations, as it did with Landsats 5 and 7. Landsat 8 will replace both Landsats 5 and 7, both of which are now experiencing problems. Landsat 7, which was launched in April of 1999 and continues to collect data, has had a failure of its scan line corrector, resulting in declined data utility as the resulting images now have blank swaths that run through about 25 percent of the image. Additionally, in November 2005, Landsat 5, which has performed far beyond its projected three-year life span since its launch

in 1984, is now experiencing problems that could limit its utility. The rotation of the solar array drive, which maintains the proper pointing angle between the solar array and the sun, has become sporadic, and is not able to continuously provide the power needed to charge the batteries without manual manipulations of the satellite by USGS. Maintaining power to the batteries is critical to sustain proper operation of the spacecraft.

The Geography program budget includes decreases of \$3.0 million for the America View project and \$2.3 million for lower priority geographic research.

Geology — The 2007 budget proposes \$217.4 million for geology activities, which is \$17.9 million below the 2006 level. This funding level includes increases in support of the Energy Policy Act of 2005, including \$500,000 for gas hydrate research in cooperation with activities in BLM and MMS and \$500,000 to complete an oil shale assessment. The budget also provides an additional \$1.0 million to begin an effort to collect and preserve vital geological and geophysical energy data.

The Geology program budget also includes \$700,000 of the requested \$2.2 million for a multi-hazards pilot initiative. The remaining funding is in geographic research (+\$300,000), water resources (+\$200,000), biological research (+\$200,000), and enterprise information (+\$680,000). The initiative will enhance research and assessments on the causes and consequences of natural hazards and improve community responses to hazard events. The initiative will also focus on improved communication as it merges information about different high risk hazards into integrated products to support local community efforts in land-use planning, hazards mitigation, and emergency response.

The 2007 budget also includes decreases for the Geology program totaling \$23.6 million, \$838,000 of which was provided for unrequested earmarks. The budget includes a proposal to refocus the mineral resources program on activities that are inherently governmental. The minerals resources program is reduced by \$22.9 million.

Water Resources — The Water Resources program is funded at \$204.0 million in the 2007 budget request, including an increase of \$2.3 million for streamgaging activities. This increased funding will enable USGS to

increase the number of streamgages reporting real-time by 30, and allow USGS to continue operations at high priority sites. The 2007 budget also includes decreases of \$846,000 for the Long Term Estuary Assessment Group, \$940,000 in technical support funding associated with the National Water Quality Assessment program, and \$2.0 million in cooperative water studies that are coming to an end. The Cooperative Water program will initiate an estimated \$6.0 million in new water studies in 2007. The proposed funding level for the Water Resources program also includes reductions of \$4.0 million in unrequested earmarks and \$6.4 million for the Water Resources Research Institutes that have been generally successful in generating funds from non-USGS sources and could be self-supporting.

Biological Research — The 2007 budget requests \$172.6 million in biological research. The budget includes an increase of \$1.0 million to support the activities of the NatureServe system and to contribute to the broader strategy of improving delivery and access to information needed to support Interior bureaus in the management of natural resources. Also included in this funding level are decreases of \$2.0 million in the National Biological Infrastructure program and \$7.3 million in discontinued lower priority studies and unrequested earmarks in biological research. The budget also includes the continuation of the \$3.2 million for avian influenza, which reflects a reduction of \$400,000. The reduction is for a one-time purchase of research equipment in 2006.

Science Support, Enterprise Information, and Facilities — The 2007 budget requests \$274.1 million for these activities. This funding level includes an increase of \$64.8 million in Enterprise Information associated with the proposed transfer of the Cooperative Topographic Mapping program from Geography to Enterprise Information. The budget for these activities also includes reductions of \$3.0 million for efficiencies associated with geospatial data integration and enterprise operations; \$3.9 million in one-time Landsat costs appropriated in 2006; and \$540,000 in space savings.

Fixed Costs — The 2007 budget request includes an increase of \$20.7 million for non-discretionary fixed cost increases, of which \$15.2 million are budgeted and \$5.5 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted	2007 Request	Change from 2006	
	FTE	Amount	FTE	Amount
Appropriations				
Surveys, Investigations, & Research (w/o h. supp) ..	5,905	965,345	5,562	944,760
Hurricane Supplemental.....	0	5,300	0	0
Surveys, Investigations, & Research (w/ h. supp)	5,905	970,645	5,562	944,760
			-343	-20,585
Subtotal, Surveys, Investigations, & Research			0	-5,300
			-343	-25,885
Permanents and Other				
Operations and Maintenance of Quarters	0	60	0	50
Contributed Funds.....	0	1,295	0	1,394
Working Capital Fund.....	179	0	179	0
Spectrum Relocation Activities	0	0	0	6,159
Subtotal, Permanents, Trust Funds, and Others.	179	1,355	179	7,603
			0	+6,159
			0	+6,248
Transfers and Reimbursables	2,673	0	2,655	0
			-18	0
TOTAL, U. S. GEOLOGICAL SURVEY (w/o h. supp).	8,757	966,700	8,396	952,363
TOTAL, U. S. GEOLOGICAL SURVEY (w/ h. supp) ..	8,757	972,000	8,396	952,363
			-361	-14,337
			-361	-19,637

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Surveys, Investigations, and Research

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Mapping, Remote Sensing, and Geographic Investigations				
Cooperative Topographic Mapping	71,393	68,855	0	-68,855
Land Remote Sensing	32,730	45,713	61,754	+16,041
Geographic Analysis/Monitoring	14,628	14,705	14,860	+155
Subtotal, Mapping.....	118,751	129,273	76,614	-52,659
Geologic Hazards, Resource, and Processes				
Geologic Hazards Assessments	84,079	81,000	82,396	+1,396
Geologic Landscape/Coastal Assess....	76,253	77,752	78,106	+354
Geologic Resource Assessments	77,014	76,534	56,916	-19,618
Subtotal, Geologic Hazards	237,346	235,286	217,418	-17,868
Water Resources Investigations				
Hydrologic Monitoring, Assess, & Rsch	142,454	142,527	141,876	-651
Cooperative Water Program.....	62,337	62,833	62,171	-662
Water Resources Rsch Act Program	6,409	6,404	0	-6,404
Subtotal, Water Resources.....	211,200	211,764	204,047	-7,717
Biological Research				
Biological Research/Monitoring.....	133,130	140,086	135,692	-4,394
Biological Info Mgmt/Delivery	23,999	23,794	21,967	-1,827
Cooperative Research Units	14,570	14,664	14,938	+274
Subtotal, Biological Research.....	171,699	178,544	172,597	-5,947

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Enterprise Information				
Enterprise Info Security and Tech.....	22,714	24,866	25,972	+1,106
Enterprise Information Resources	16,989	16,900	16,636	-264
National Geospatial Program.....	4,670	4,628	68,622	+63,994
Subtotal, Enterprise Information	44,373	46,394	111,230	+64,836
Science Support	65,584	69,302	67,382	-1,920
Facilities	94,611	94,782	95,472	+690
Net Transfers.....	4,000	0	0	0
TOTAL APPROPRIATION (w/o h. supps.)..	947,564	965,345	944,760	-20,585
Hurricane Supplementals	1,000	5,300	0	-5,300
TOTAL APPROPRIATION (w/ h. supps.)....	948,564	970,645	944,760	-25,885

Highlights of Budget Changes

	Amount [+20,724]
Fixed Costs	[+20,724]
Mapping, Remote Sensing, and Geographic Investigations	
Cooperative Topographic Mapping	-68,855
The budget proposes a budget restructure (-\$68,855) that moves geospatial data coordination functions of the Cooperative Topographic Mapping subactivity to a new subactivity, the National Geospatial program, in the Enterprise Information Activity. National Land Cover Data functions are moved to the Land Remote Sensing subactivity and landscape analysis functions are moved to the Geographic Analysis and Monitoring subactivity.	
Land Remote Sensing	+16,041
The budget proposes an increase (+\$15,950) to fund Landsat 8 development, a Landsat Data Continuity Mission partnership of NASA and USGS, that continues the 30-year legacy of obtaining global earth observation data via the aging Landsat satellites 5 and 7. A decrease eliminates funding for AmericaView (-\$2,970). The proposed budget restructure moves funding (+\$2,768) for the National Land Cover Data functions to this subactivity from the Cooperative Topographic Mapping subactivity. Fixed costs total \$418, of which \$293 are budgeted and \$125 are absorbed.	
Geographic Analysis and Monitoring	+155
A proposed increase (+\$300) supports a bureauwide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. A proposed decrease (-\$2,300) reduces lower priority geographic research. The proposed budget restructure moves funding (+\$1,786) for landscape analysis functions to this subactivity from the Cooperative Topographic Mapping subactivity. Fixed costs total \$527, of which \$369 are budgeted and \$158 are absorbed.	
Geologic Hazards, Resources, and Processes	
Geologic Hazard Assessments	+1,396
Proposed increases (Earthquakes +\$300; Landslides +\$200) support a bureauwide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. Fixed costs total \$1,282, of which \$896 are budgeted and \$386 are absorbed.	
Geologic Landscape and Coastal Processes	+354
The budget proposes a decrease (-\$247) to reduce an unrequested earmark for studies of the impact of African dust on U.S. ecosystems. A proposed increase (+\$200 in Coastal and Marine Geology) supports a bureauwide multi-hazards demonstration project that integrates information	

	<u>Amount</u>
about multiple hazards to enhance local community preparations for and recovery from natural disasters. A proposed decrease (-\$591) eliminates an unrequested earmark to support geological and environmental characterization of the inner shelf region of Florida. Fixed costs total \$1,418, of which \$992 are budgeted and \$426 are absorbed.	
Geologic Resource Assessments	-19,618
The budget proposes a decrease (-\$22,943) for the Mineral Resources program that will discontinue or reduce global mineral resource assessments of mineral commodities; research on industrial minerals; research on inorganic toxins; materials flow analyses; the Mineral Resources External Research program; and data collection and analysis for 100 mineral commodities in 180 countries outside the United States. The program will focus on activities that are inherently governmental. A proposed increase (+\$500) will expand work to the Energy Resources program for a study of gas hydrates on the North Slope of Alaska. Proposed increases would be used to meet mandates in the Energy Policy Act of 2005, including a national assessment of oil shale resources (+\$500) and the preservation of geologic and geophysical data (+\$1,000). Fixed costs total \$1,891, of which \$1,325 are budgeted and \$566 are absorbed.	
Water Resources Investigations	
Hydrologic Monitoring, Assessments, and Research	-651
Proposed decreases in ground-water resources will eliminate unrequested earmarks for studies of the Memphis (-\$493) and Ozark (-\$227) aquifers. A proposed decrease (-\$940) in National Water-Quality Assessment will reduce national technical support and training activities for the USGS's geographically distributed water-quality studies. Proposed decreases in Toxic Substances Hydrology will eliminate an unrequested earmark study of the Roubidoux Aquifer (-\$1,231) and a lower priority project that addresses petroleum-related contamination of the Nation's water resources (-\$227). A proposed decrease in Hydrologic Research and Development will eliminate funding (-\$846) for the Long-Term Estuary Assessment Group and two unrequested earmarks: a fish mortality study in Hood Canal, Washington (-\$99) and USGS participation in the interagency San Pedro Partnership (-\$296).	
A proposed increase (+\$200) in the National Streamflow Information program supports a bureau-wide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. An additional increase in the National Streamflow Information program (+\$2,325) will increase the number of streamgages by 30, giving USGS the flexibility to continue operations at high-priority sites and enabling USGS to invest in technological improvements that will make the entire network more cost-efficient in the long term. Proposed decreases in Hydrologic Networks and Analysis will eliminate unrequested earmarks for expanded water-quality monitoring for mercury and other substances in Lake Champlain (-\$291), reduce expanded monitoring of water resources in Hawaii (-\$444), and discontinue the collection of hydrologic data to detect future changes in surface water quality related to extraction of coalbed methane in the Tongue River watershed of Montana (-\$887). Fixed costs total \$4,004, of which \$2,805 are budgeted and \$1,199 are absorbed.	
Cooperative Water Program	-662
The proposed decrease will reduce the number of interpretive water studies conducted in cooperation with State and local agencies (-\$2,000), focusing in areas where projects are scheduled to end during 2006. Fixed costs total \$1,912, of which \$1,338 are budgeted and \$574 are absorbed.	
Water Resources Research Act Program	-6,404
The proposed decrease (-\$6,404) eliminates USGS funding for the 54 State Water Resources Research Institutes that have been generally successful in generating non-Federal sources of funding and should be able to support themselves.	
Biological Research	
Biological Research and Monitoring	-4,394
A proposed increase (+\$300) supports a bureauwide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. An increase (+\$1,000) for NatureServe will support the continued collection of information about rare and endangered species and threatened ecosystems. Decreases are proposed for unrequested earmarks and lower priority studies for the Pacific Northwest	

	<u>Amount</u>
Forest program (-\$1,000); biological assistance to the National Water-Quality Assessment program (-\$594); wildlife, terrestrial, and endangered resources (-\$509); molecular biology (-\$788) and multidisciplinary water studies (-\$197) at Leetown Science Center; Mark Twain National Forest lead mining (-\$345); pallid sturgeon (-\$345); diamondback terrapins (-\$197); grizzly bear population in Montana (-\$394); Great Lakes Science Center boat dock (-\$1,409); equipment at the Anadromous Fish Laboratory (-\$148); Tunison Lab Atlantic salmon research (-\$247); Potomac snakehead program (-\$172); Upper Midwest Environmental Sciences Center (-\$197); Science Excellence with FWS (-\$197); ivory-billed woodpecker survey equipment (-\$394); and Wetland Ecology Center with the University of Missouri (-\$197). The reduction in Avian Influenza (-\$400) is due to the one-time purchase of testing equipment in 2006. Fixed costs total \$2,910, of which \$2,036 are budgeted and \$874 are absorbed.	
Biological Information Management and Delivery	-1,827
The budget proposes a decrease (-\$2,000) for the National Biological Information Infrastructure. Fixed costs total \$246, of which \$173 are budgeted and \$73 are absorbed.	
Cooperative Research Units	+274
Fixed costs total \$391 of which \$274 are budgeted and \$117 are absorbed.	
Enterprise Information	
Enterprise Information Security and Technology	+1,106
The budget proposes an increase (+\$1,297) for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department wide intranet, and a technical support center. The budget proposes a decrease (-\$500) based on operational efficiencies. Fixed costs total \$441, of which \$309 are budgeted and \$132 are absorbed.	
Enterprise Information Resources	-264
The budget proposes an increase (+\$11) for the USGS component of Departmentwide information technology enhancements. The budget proposes a decrease (-\$500) based on operational efficiencies. Fixed costs total \$321, of which \$225 are budgeted and \$96 are absorbed.	
National Geospatial Program	+63,994
The budget proposes a budget restructure (+64,301) that moves geospatial data coordination functions from the Cooperative Topographic Mapping subactivity to a new subactivity, the National Geospatial program. The budget proposes an increase (+\$680) for a disaster.gov project and in coordination with a bureauwide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. The budget proposes an additional increase (+\$150) for the USGS component of Department wide information technology enhancements. The budget proposes a decrease for geospatial data integration (-\$2,000). Fixed costs total \$1,235, of which \$863 are budgeted and \$372 are absorbed.	
Science Support	-1,920
The budget proposes a decrease (-\$3,941) to eliminate a one-time appropriation received in 2006 for support of Landsat 7. The budget proposes an additional decrease (-\$69) that will reduce funding for operating expenses in the Director's Office, Administrative Policy and Services, Human Capital, and regional offices. Fixed costs total \$2,453, of which \$2,090 are budgeted and \$363 are absorbed.	
Facilities	+690
The budget proposes a decrease (-\$540) based on space management savings. Fixed costs total \$1,275, of which \$1,230 are budgeted and \$45 are absorbed.	



FISH AND WILDLIFE SERVICE

Mission — The mission of the U.S. Fish and Wildlife Service is working with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

Program Overview — The Service's major responsibilities are to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fish. To accomplish its mission, FWS seeks opportunities to partner with farmers and ranchers, State and local governments, Federal agencies, Tribes, citizen volunteers, corporations, and conservation groups.

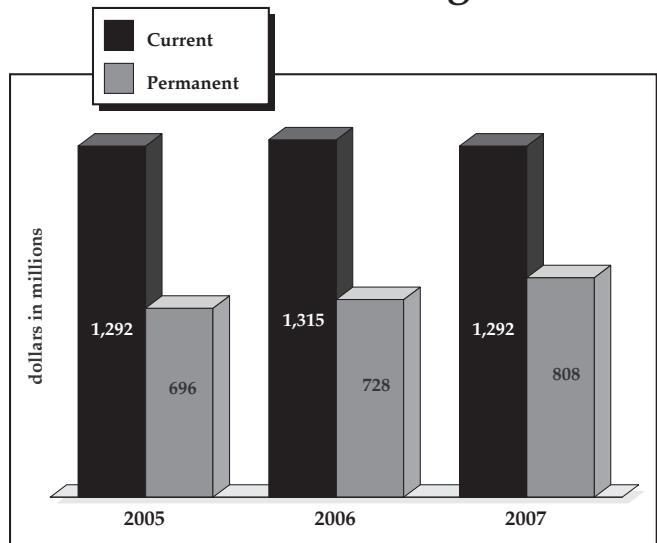
The national wildlife refuge system is among the world's most significant land and water systems managed for the benefit of fish and wildlife. The 96 million-acre network provides stepping stones of habitat for many species of migratory birds and other wildlife, sanctuary for hundreds of threatened and endangered species, and secure spawning areas for healthy wild salmon fisheries. The system includes 545 refuges and 37 wetlands management districts. These refuges provide recreational opportunities for photography, hiking, fishing, hunting, and education programs for 40 million visitors annually.

The FWS Fisheries program helps safeguard inter-jurisdictional fisheries worth billions of dollars; rescues troubled aquatic species on the brink of extinction; and provides recreational opportunities for the public. Sixty-nine national fish hatcheries produce about 139 million fish annually, including striped bass, steelhead, lake trout, and salmon. In addition, FWS operates one historic national fish hatchery, seven fish technology centers, and nine fish health centers.

In administering the Endangered Species Act, FWS strives to ensure a strong scientific basis for its decisions; facilitate large-scale planning accommodating land use and protection of wildlife habitat; and promote innovative public-private partnerships, including financial and technical assistance to private landowners.

The FWS also plays a major role in the conservation of international wildlife resources as the lead agency for implementing U.S. treaty commitments for migratory

FWS Funding



birds, endangered species, wildlife trade, arctic species, wetlands, some marine mammal species, and biological resources of the western hemisphere.

Management Excellence — The FWS continues to follow the President's management agenda for improving management and performance of the Federal government, practicing the Secretary's vision for citizen-centered management excellence. The FWS has worked diligently to develop program specific, outcome based performance measures that step down from the goals in the Interior Department's strategic plan finalized in 2003. This effort fosters a cohesive approach to mission performance for improved program and service delivery, new technological capabilities, enhanced inter-bureau cooperation, and improved standards of accountability that stretch across the entire Department.

The budget request includes several proposals that result from management reviews of FWS activities. For example, the budget proposes increases for the migratory bird management program. This program underwent a Program Assessment Rating Tool evaluation during formulation

of the 2006 budget. Previous internal reviews of this program, as well as the PART evaluation, have led to a concerted effort on the part of FWS to institute management improvements and more closely align the budget with program performance goals. Based on this effort, the program has undertaken a number of measures to ensure that it is using available resources in the most effective and efficient manner. Also, in 2007 the refuge system will implement a number of streamlining procedures for the Comprehensive Conservation Plan process. These streamlining procedures should allow FWS to complete CCPs on schedule yet allow FWS to direct savings from this program to other high priority projects.

Budget Overview — The 2007 request for current appropriations totals \$1.3 billion, a decrease of \$23.5 million compared to 2006. The budget also includes \$808.1 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

More than 80 percent of the FWS current request supports the Department's mission goal for resource protection, with remaining resources devoted to achieving resource use, recreation, and serving communities mission goals.

The 2007 FWS budget request re-emphasizes the importance in achieving the land and water conservation goals set forth in the Land and Water Conservation Fund Act by requesting \$333.2 million for a spectrum of conservation programs, an \$11.2 million increase over the 2006 level for the same purpose.

Cooperative Conservation Partnerships — Programs funded in FWS through the Land and Water Conservation Fund in the 2007 budget include \$310.1 million for cooperative conservation, an increase of \$12.1 million compared to 2006. These partnership programs emphasize local input and cooperative decisionmaking to achieve land management and resource goals.

The budget includes a \$4.3 million increase for refuge challenge cost share grants. These matching grants fund dynamic partnerships with individuals, Tribes, State and local governments, non-profit organizations, and others to carry out resource protection projects on or near Federal lands.

There are a number of other programs funded from LWCF within the Resource Management account. The Partners for Fish and Wildlife program is funded at \$42.7 million, which includes a programmatic increase of \$2.0 million to implement a new Lower Klamath basin initiative. This initiative will focus on restoring aquatic habitats that are critical for the recovery of federally listed coho salmon and depleted chinook salmon.

The Resource Management account includes \$13.0 million for the Coastal program, level with 2006. The \$11.8 million request for migratory bird Joint Ventures program includes a programmatic increase of \$1.0 million above the 2006 level. With this increase, FWS, in conjunction with partners, will develop four new joint ventures.

State and tribal wildlife grants, funded at \$74.7 million, provide financial assistance for development of wildlife conservation plans and on-the-ground conservation projects to stabilize, restore, enhance, and protect species and their habitats that are of conservation concern. This is a \$7.2 million increase over 2006. The increase includes \$5.0 million for a new, competitively awarded program in addition to the existing program of grants awarded to States via formula and Tribes via a competitive process.

The request for the Landowner Incentive program is \$24.4 million, \$2.7 million above the 2006 level. The program provides matching, competitive grants to States, the District of Columbia, Territories, and federally recognized Tribes to establish or supplement existing programs that provide technical and financial assistance to private landowners to help them protect and manage imperiled species and their habitat, while continuing to engage in traditional land-use or land conservation practices. The program provides an opportunity for all States to develop the capacity to implement programs modeled after several innovative State programs.

The \$9.4 million Private Stewardship program provides grants and other assistance on a competitive basis to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit listed, proposed, candidate, or other at-risk species. Typical projects may include managing non-native species; implementing measures to minimize risk from disease; restoring streams that support imperiled species; or planting native vegetation to restore rare plant communities. The request is a \$2.1 million increase over the 2006 level.

The request for the Cooperative Endangered Species Conservation Fund is \$80.0 million, equal to the 2006 level. This program provides grants to States for activities that conserve threatened and endangered species. States can, in turn, pass the funding on to municipalities, Tribes, and private landowners to enlist their support in species conservation efforts. The CESCF program provides funding for habitat conservation planning and land acquisition programs that assist States, local governments, and landowners in protecting habitat within or near areas covered by habitat conservation plans. It also provides funding to implement candidate conservation agreements; recovery actions; other State initiatives to conserve candidate, proposed, and listed species; and

administration. Within the total for CESCF, the budget includes \$5.1 million for funding a portion of the Snake River Basin Settlement Act.

The budget proposes \$41.6 million for the North American Wetlands Conservation Fund, \$2.2 million above 2006. This funding will support wetlands and migratory bird conservation activities by providing matching grants to private landowners, States, non-governmental conservation organizations, Tribes, trusts, corporations, and other Federal agencies for acquisition, restoration, and enhancement of wetland habitat. This requested increase—together with partner funds—is estimated to protect and restore an additional 60,000 acres of valuable habitat in the U.S., Canada, and Mexico.

Operations—The 2007 request for the principal FWS operating account, Resource Management, is \$995.6 million, a decrease of \$5.8 million compared to the 2006 enacted level. The budget includes \$141.0 million for administering the Endangered Species Act, a net programmatic decrease of \$8.7 million due to the discontinuation of unrequested 2006 earmarks. This funding level will fund the Upper Colorado River and Platte River recovery programs at a level equal to that of 2006. The budget also proposes an increase of \$471,000 for endangered species consultations related to energy development on public lands.

Operation and maintenance of the national wildlife refuge system is funded at \$381.7 million, a decrease of \$763,000. Increases within this total include \$4.3 million for the challenge cost share program and \$1.4 million for improving visitor services. Decreases include a reduction of \$5.3 million for unrequested 2006 earmarks.

The 2007 budget provides a program increase of \$1.5 million for migratory bird management conservation and monitoring. This increase will allow development of detailed management plans that describe and prioritize the requirements to make specific focal species healthy and sustainable, and allow the program to implement a webless game bird initiative to collect additional biological information regarding webless game birds such as the mourning dove. Of the increase, \$396,000 will fund an ivory-billed woodpecker ecological assessment.

The budget provides a total of \$57.3 million for law enforcement. This funding level includes an increase of \$496,000 for FWS participation in a multi-agency International Trade Data System. This funding would provide the initial investment in a government-wide effort to create a one-stop internet interface linking all importers and

exporters and all Federal agencies involved in regulating international trade.

The budget includes a total of \$114.6 million for the Fisheries program, a net program decrease of \$2.1 million compared to 2006. Within this level of funding are program increases of \$1.9 million for hatchery operations for endangered species recovery actions, \$1.4 million for fish passage improvements, and \$2.0 million for the National Fish Habitat Initiative. Reductions include discontinuing funding for unrequested 2006 earmarks.

The 2007 budget includes a program increase of \$1.5 million for projects funded through the Working Capital Fund.

Construction—The request for construction is \$19.7 million, a reduction of \$25.5 million compared to 2006, excluding the hurricane supplemental. The budget request supports the highest priority projects identified in the FWS five-year construction plan. Proposed projects include \$3.5 million for seismic safety improvements at Jackson National Fish Hatchery in Wyoming and \$1.7 million for water supply and management at the Klamath Basin National Wildlife Refuge complex.

Land Acquisition—The 2007 request for the Land Acquisition appropriation totals \$27.1 million, of which \$13.7 million is for line-item land acquisition for acquiring interests in lands, including easements that provide important fish and wildlife habitat. This is essentially level funding for projects compared to 2006. Proposed projects include \$3.5 million for acquisition at the Upper Klamath Lake National Wildlife Refuge in Oregon, and \$2.0 million to implement the Highlands Conservation Act, a Federal-State partnership.

Multinational Species Conservation Fund—The request includes a total of \$8.2 million for the Multinational Species Conservation Fund, including \$4.0 million for the Neotropical Migratory Bird Conservation Fund. Compared to the 2006 total for neotropicals and multinational species conservation, this is a \$2.1 million decrease.

Other Program Changes—The budget includes a decrease of \$2.0 million for anticipated savings related to streamlining administrative functions within programs.

Fixed Costs—The 2007 budget request includes an increase of \$22.5 million for non-discretionary fixed cost increases, of which \$17.0 million are budgeted and \$5.5 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted		2007 Request		Change from 2006	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Resource Management	7,209	1,001,435	7,208	995,594	-1	-5,841
Construction	150	45,216	150	19,722	0	-25,494
Land Acquisition	77	27,990	72	27,079	-5	-911
Landowner Incentive Grants	7	21,667	7	24,400	0	+2,733
Private Stewardship Grants	4	7,277	4	9,400	0	+2,123
Cooperative Endangered Species Fund	6	80,001	6	80,001	0	0
National Wildlife Refuge Fund -						
Payments in Lieu of Taxes	0	14,202	0	10,811	0	-3,391
North American Wetlands Conservation Fund	11	39,412	11	41,646	0	+2,234
Multinational Species Conservation Fund	3	6,404	5	8,217	+2	+1,813
Neotropical Migratory Bird Grants	2	3,941	0	0	-2	-3,941
State and Tribal Wildlife Grants	8	67,492	8	74,666	0	+7,174
Subtotal, Appropriations (w/o hurricane supp.)	7,477	1,315,037	7,471	1,291,536	-6	-23,501
Hurricane Supplemental	0	30,000	0	0	0	0
Subtotal, Appropriations (w/ hurricane supp.)	7,477	1,345,037	7,471	1,291,536	-6	-53,501
Mandatory Appropriations						
Recreation Fee Program	33	4,200	33	4,750	0	+550
Migratory Bird Conservation Account	73	41,900	73	45,000	0	+3,100
National Wildlife Refuge Fund	22	6,500	22	6,500	0	0
North American Wetlands Conservation Fund	0	800	0	500	0	-300
Sport Fish Restoration Account	59	363,973	59	424,009	0	+60,036
Federal Aid in Wildlife Restoration	55	263,883	55	277,116	0	+13,233
Miscellaneous Permanent Appropriations	6	3,710	6	3,710	0	0
Contributed Funds	15	3,400	15	3,400	0	0
Cooperative Endangered Species Fund	0	39,302	0	43,161	0	+3,859
Subtotal, Mandatory Appropriations	263	727,668	263	808,146	0	+80,478
Reimbursements and allocation transfers						
Reimbursements	736	0	736	0	0	0
Job Corps	52	0	52	0	0	0
Firefighting	511	0	499	0	-12	0
Hazardous Fuels End. Species Consultations	48	0	48	0	0	0
NRDAR	61	0	61	0	0	0
Hazardous Materials	7	0	7	0	0	0
Federal Roads (FHWA)	14	0	14	0	0	0
Forest Pest (Agriculture)	1	0	1	0	0	0
Subtotal, Other	1,430	0	1,418	0	-12	0
TOTAL, FISH & WILDLIFE SERVICE (w/o h. supp.)	9,170	2,042,705	9,152	2,099,682	-18	+56,977
TOTAL, FISH & WILDLIFE SERVICE (w/ h. supp.)	9,170	2,072,705	9,152	2,099,682	-18	+26,977

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Resource Management

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Ecological Services				
Endangered Species				
Candidate Conservation	9,142	8,619	8,063	-556
Listing	15,710	17,630	17,759	+129
Consultation.....	47,281	47,997	49,337	+1,340
Recovery	69,270	73,562	65,879	-7,683
Subtotal, Endangered Species	141,403	147,808	141,038	-6,770
Habitat Conservation	93,443	98,357	90,509	-7,848
Environmental Contaminants	10,736	10,874	11,077	+203
Subtotal, Ecological Services	245,582	257,039	242,624	-14,415
National Wildlife Refuge System				
Wildlife and Habitat Management.....	141,766	146,819	148,115	+1,296
Visitor Services	62,805	62,033	65,284	+3,251
Refuge Law Enforcement.....	25,266	27,124	26,310	-814
Conservation Planning.....	13,131	13,060	10,298	-2,762
Subtotal, Operations	242,968	249,036	250,007	+971
Refuge Maintenance	132,785	133,465	131,731	-1,734
Subtotal, National Wildlife Refuge System	375,753	382,501	381,738	-763
Migratory Bird Mgt and Law Enforcement				
Migratory Bird Management.....	35,010	38,236	41,339	+3,103
Law Enforcement				
Operations.....	53,212	54,970	56,290	+1,320
Maintenance.....	1,491	1,092	992	-100
Subtotal, Law Enforcement	54,703	56,062	57,282	+1,220
Subtotal, Wildlife and Law Enforcement	89,713	94,298	98,621	+4,323
Fisheries				
Hatchery Operations and Maintenance				
Hatchery Operations	38,181	40,661	44,538	+3,877
Hatchery Maint. and Rehabilitation.....	18,783	16,528	16,587	+59
Subtotal, Hatchery Ops and Maint...	56,964	57,189	61,125	+3,936
Fish and Wildlife Management Asst				
Anadromous Fish Management	10,071	10,190	10,341	+151
Fish and Wildlife Assistance	43,011	44,739	40,703	-4,036
Marine Mammals.....	4,522	4,370	2,443	-1,927
Subtotal, Fish & Wildlife Mgt Asst ...	57,604	59,299	53,487	-5,812
Subtotal, Fisheries	114,569	116,488	114,612	-1,876
General Operations				
Central Office Operations	39,253	39,530	39,297	-233
Highly Pathogenic Avian Flu Strategy.	0	7,398	7,398	0
Science Excellence Initiative	0	493	493	0
Regional Office Operations.....	40,423	40,690	41,592	+902
Operational Support.....	23,649	27,496	32,398	+4,902
International Affairs.....	9,420	9,880	9,994	+114

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Nat'l Conservation Training Center	16,817	17,966	19,171	+1,205
National Fish & Wildlife Foundation...	7,761	7,656	7,656	0
Subtotal, General Operations	137,323	151,109	157,999	+6,890
Net Transfers.....	11,083	0	0	0
TOTAL APPROPRIATION	974,023	1,001,435	995,594	-5,841

Highlights of Budget Changes

	<u>Amount</u> [+21,962]
Fixed Costs	-6,770

Endangered Species

Candidate Conservation: The budget includes reductions for Idaho sage grouse (-\$296) and California fisher (-\$296). Program management savings are implemented using ABC cost data (-\$89). Fixed costs total \$180 of which \$125 is budgeted and \$55 is absorbed.

Listing: Program management savings are implemented using ABC cost data (-\$29). Fixed costs total \$229 of which \$158 is budgeted and \$71 is absorbed.

Consultation: The Service will directly support increased national energy production (+\$471). Program management savings are implemented using ABC cost data (-\$58). Fixed costs total \$1,334 of which \$927 is budgeted and \$407 is absorbed.

Recovery: A draft and final recovery plan will be written for the ivory-billed woodpecker (+\$396). The budget request includes reductions in unrequested projects as follows: pass through grants for Pacific (-\$1,971) and Atlantic (-\$985) salmon; manatee protection and recovery (-\$493); Lahontan cutthroat trout (-\$493); pass-through funding to the Alaska Sealife Center (-\$1,182); Peregrine Fund Aplomado Falcon recovery (-\$148); West Virginia mussel recovery (-\$345); California Gabbro soils inventory (-\$197); Penobscot River restoration (-\$986); and Nez Perce wolf monitoring (-\$50). Idaho (-\$719) and Montana (-\$315) gray wolf recovery is funded through the Partners for Fish and Wildlife program. Yellowstone Grizzly Bear Conservation Strategy implementation (-\$1,098) is funded through the Partners for Fish and Wildlife program and NPS. Program management savings are implemented using ABC cost data (-\$146). Fixed costs total \$1,502 of which \$1,048 is budgeted and \$454 is absorbed.

Habitat Conservation

-7,848

Partners for Fish and Wildlife: Restoration projects will be implemented in the Lower Klamath basin with private landowners (+\$1,980) and other stakeholders. National priorities will be implemented under the Secretary's Cooperative Conservation Initiative with an increase (+\$983) to restore an additional 2,745 acres and improve an additional 5.5 miles of stream and riparian habitats. Idaho and Montana wolf monitoring (+\$800) and Yellowstone Grizzly Bear Conservation Strategy implementation (+\$495) are funded under the nonregulatory aspects of the Partners program to reflect the proposed change in status for these species. The budget request includes reductions as follows: Vermont heritage partners (-\$99); nutria eradication at Blackwater NWR (-\$493); Lake Sakakawea invasive species (-\$99); San Diego Zoo Hawaii bird conservation (-\$542); Nevada biodiversity research (-\$1,232); Montana cold water fish (-\$493); Audubon Society studies at Umbagog NWR (-\$419); Big Hole Watershed (-\$690); Thunder Basin Grasslands Initiative (-\$147); Georgia streambank restoration (-\$493); Taconic watershed (-\$739); Mississippi wildlife enhancement (-\$985); Meadowlands technical assistance in New Jersey (-\$177); Susquehanna fish passage (-\$493) and wetlands (-\$493); GIS study of Alaska refuges (-\$493); conservation work at Don Edwards NWR (-\$532); Washington State regional fisheries enhancement groups (-\$1,379); Washington State environmental quality reports (-\$690); Colorado River flow study (-\$394); and Seattle shoreline restoration (-\$985). Program management savings are implemented using ABC cost data (-\$93). Fixed costs total \$596 of which \$411 is budgeted and \$185 is absorbed.

Project Planning: Lower priority projects will be eliminated, including the Middle Rio Grande Bosque Initiative (-\$542); Cedar City, Utah (-\$99); and Forest Plan activities will be reduced (-\$263). General program activities are reduced (-\$60). Program management savings are implemented using ABC data (-\$76). Fixed costs total \$854 of which \$598 is budgeted and \$256 is absorbed.

	<u>Amount</u>
<i>Coastal Program:</i> Additional funding is proposed to restore high priority coastal habitats throughout the Nation as well as funding for the National Coral Reef Action Strategy (+\$604). The budget includes reductions for: Long Live the Kings (chinook salmon) and Hood Canal salmon enhancement in Washington (-\$394); and the Tampa and Florida Panhandle Field Offices (-294). Program management savings are implemented using ABC cost data (-\$26). Fixed costs total \$202 of which \$140 is budgeted and \$62 is absorbed.	
<i>National Wetlands Inventory:</i> Program management savings are implemented using ABC cost data (-\$12). Fixed costs total \$96 of which \$66 is budgeted and \$30 is absorbed.	
Environmental Contaminants	+203
Program management savings are implemented using ABC cost data (-\$29). Fixed costs total \$329 of which \$232 is budgeted and \$97 is absorbed.	
National Wildlife Refuge System	-763
Wildlife and Habitat funding (+\$1,488) will be used to implement high priority projects including control of invasive species in Florida, Texas, and New Mexico and the restoration of tidal habitat in California. Challenge Cost Share projects will be increased (+\$4,278) to fund community partnerships with non-federal entities for habitat restoration and other refuge programs. Refuge visitor services funding includes an increase (+\$1,388) to improve visitor services. These increases are offset by elimination of unrequested funding for invasive species control (-\$2,364), staffing (-\$1,971), and visitor facility enhancements (-\$985). Reductions are also taken from lower priority or other projects such as IMARS implementation (-\$1,067); streamlined conservation planning processes (-\$2,970); and the lowest priority refuge maintenance projects (-\$2,570). Program management savings are implemented using ABC cost data (-\$891). Fixed costs total \$7,193 of which \$4,901 is budgeted and \$2,292 is absorbed.	
Migratory Bird Management and Law Enforcement	+4,323
<i>Migratory Birds:</i> A management plan will be developed for the ivory-billed woodpecker (+\$396) and an increase is proposed for the highest priority conservation and monitoring actions (+\$1,145). Joint venture funding is increased (+\$976). An internal transfer shifts aviation program management from General Operations into the program (+\$250). Program management savings are implemented using ABC cost data (-\$82). Fixed costs total \$615 of which \$418 is budgeted and \$197 is absorbed.	
<i>Law Enforcement:</i> An increase will be used to implement the International Trade Data System to help police wildlife trade and enhance the interdiction of wildlife smuggling (+\$496). Vehicle replacement savings will be realized (-\$98). Program management savings are implemented using ABC cost data (-\$126). Fixed costs total \$1,339 of which \$948 is budgeted and \$391 is absorbed.	
Fisheries	-1,876
<i>Hatchery Operations and Maintenance:</i> Hatchery operations funding is increased to implement high priority recovery projects to complete recovery plan tasks, implement high-priority projects to fulfill FWS Tribal trust responsibilities, and to provide long-term benefits in aquatic species health and applied research (+\$1,873). Funding is transferred from Fish and Wildlife Management Assistance (+\$1,423). Program management savings are implemented using ABC cost data (-\$137). Fixed costs total \$1,129 of which \$777 is budgeted and \$352 is absorbed.	
<i>Fish and Wildlife Management:</i> Funding for the National Fish Habitat Initiative (+\$2,000) will further the overall national strategy to rebuild degraded habitats and fish populations. An increase in the Fish Passage program will restore access to 3,787 miles of spawning habitat and facilitate the removal of 13 fish barriers (+\$1,354). The budget includes reductions for unrequested increases in general program activities (-\$1,178); aquatic nuisance species control (-\$75); and elimination of the following unrequested projects: regional mark processing center (-\$246); Washington State mass marking (-\$1,970); Great Lakes restoration (-\$493); Washington State hatchery projects (-\$492); the National Partnership for the Management of Wild and Native Coldwater Fisheries (-\$985); Montana Whirling Disease Foundation (-\$394); and the Wildlife Health Center in Montana (-\$493). Funding is transferred to hatchery operations (-\$1,423). General program activities for marine mammals will be reduced (-\$1,958). Program management savings are implemented using ABC cost data (-\$123). Fixed costs total \$955 of which \$664 is budgeted and \$291 is absorbed.	

	<u>Amount</u>
General Operations	+6,890
The National Conservation Training Center, in partnership with training counterparts from the Department and all Interior bureaus, will develop and begin to deliver training for supervisors and employees that builds competencies in results-based performance management (+\$1,800). Maintenance funding is reduced (-\$761). Program management savings at the NCTC and in the International Affairs program are implemented using ABC cost data (-\$63). Central office funding is reduced (-\$547). Funding for international affairs is increased (+\$1). An internal transfer shifts aviation program management from General Operations into the program (-\$250). A programmatic increase (+\$1,525) is included for the Departmental Working Capital Fund for consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the internet, a Department-wide intranet, and a technical support center. Fixed costs total \$5,406 of which \$5,184 is budgeted and \$222 is absorbed.	

APPROPRIATION: Construction

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Line Item Construction	35,576	34,471	8,954	-25,517
Dam Safety	5,650	710	717	+7
Bridge Safety	567	561	570	+9
Engineering Services	10,865	9,474	9,481	+7
Net Transfers.....	-11,500			
TOTAL APPROPRIATION (w/o h. supp.)....	41,158	45,216	19,722	-25,494
Hurricane Supplementals	40,552	30,000	0	-30,000
TOTAL APPROPRIATION (w/ h. supp.)	81,710	75,216	19,722	-55,494

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+402]
Line Item Construction	-25,494
Construction projects will address the highest priority health, safety, and resource protection needs including dams, bridges, and water systems. A detailed list of projects is provided in Appendix D. Uncontrollable costs total \$402 of which \$284 is budgeted and \$118 is absorbed.	

APPROPRIATION: Land Acquisition

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Acquisition Management.....	8,249	8,269	7,171	-1,098
Cost Allocation Methodology	1,972	1,793	1,802	+9
Acquisition - Federal Refuge Lands	22,593	13,494	13,672	+178
Exchanges.....	1,726	1,478	1,478	0
Inholdings	1,479	1,478	1,478	0
Emergency and Hardship	986	1,478	1,478	0
TOTAL APPROPRIATION	37,005	27,990	27,079	-911

Highlights of Budget Changes

	<u>Amount</u> [+197]
Fixed Costs	-911
Land Acquisition	-911

A detailed list of projects is provided in Appendix E. Uncontrollable costs total \$197 of which \$138 is budgeted and \$59 is absorbed.

APPROPRIATION: Landowner Incentive Program Grants

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	21,694	21,667	24,400	+2,733

Highlights of Budget Changes

	<u>Amount</u> +2,733
Landowner Incentive Program Grants	The request supports additional high priority matching grants to states, territories and tribes to establish or supplement existing landowner incentive programs that provide technical and financial assistance to private landowners.

APPROPRIATION: Private Stewardship Grants

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	6,903	7,277	9,400	+2,123

Highlights of Budget Changes

	<u>Amount</u> +2,123
Private Stewardship Grants	The request supports additional competitive grant funding for individuals and groups engaged in voluntary conservation efforts on private lands that benefit federally listed, proposed, and candidate or other at-risk species.

APPROPRIATION: Cooperative Endangered Species Conservation Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Section 6 Grants to States				
Traditional Grants to States	7,325	9,852	10,001	+149
HCP Planning Grants	8,522	7,531	7,642	+111
Species Recovery Land Acquisition	13,400	13,977	14,186	+209
HCP Land Acquisition Grants / States..	48,698	46,160	40,587	-5,573
Snake River Water Rights Act of 2004..	0	0	5,067	+5,067
Administration	2,518	2,481	2,518	+37
TOTAL APPROPRIATION	80,462	80,001	80,001	0

Highlights of Budget Changes

Cooperative Endangered Species Conservation Fund

The request proposes ongoing support for grants to states (+\$149), HCP planning grants (+\$111), and species recovery land acquisition grants (+\$209). It provides additional funds for administration (+\$37) and (+\$5,067) to implement the Snake River Water Rights Act of 2004. HCP land acquisition grants to States are reduced (-\$5,573).

APPROPRIATION: National Wildlife Refuge Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	14,214	14,202	10,811	-3,391

Highlights of Budget Changes

National Wildlife Refuge Fund

The request proposes payments to counties at a lower level than in 2006 (-\$3,391).

APPROPRIATION: North American Wetlands Conservation Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	37,472	39,412	41,646	+2,234

Highlights of Budget Changes

North American Wetlands Conservation Fund

The request proposes an increase to implement additional wetlands restoration grants.

APPROPRIATION: Multinational Species Conservation Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
African Elephant Conservation.....	1,380	1,379	990	-389
Rhinoceros and Tiger Conservation	1,478	1,576	990	-586
Asian Elephant Conservation.....	1,381	1,379	990	-389
Great Ape Conservation.....	1,381	1,379	990	-389
Marine Sea Turtle	99	691	297	-394
Neotropical Bird Conservation	0	0	3,960	+3,960
TOTAL APPROPRIATION	5,719	6,404	8,217	+1,813

Highlights of Budget Changes

Multinational Species Conservation Fund

The request proposes funding for neotropical bird conservation grants (+\$3,960). It reduces funding for African elephant conservation (-\$389); rhinoceros and tiger conservation (-\$586); Asian elephant conservation (-\$389); great ape conservation (-\$389); and marine sea turtle conservation (-\$394).

APPROPRIATION: Neotropical Migratory Bird Conservation

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	3,944	3,941	0	-3,941

Highlights of Budget Changes

Neotropical Migratory Bird Conservation

The request eliminates funding under this account for neotropical migratory bird conservation grants (-\$3,941) and requests \$3,960 under the Multinational Species Conservation Fund. This is consistent with the authorizing statute.

APPROPRIATION: State and Tribal Wildlife Grants

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	69,028	67,492	74,666	+7,174

Highlights of Budget Changes

State and Tribal Wildlife Grants

These funds support additional high priority grants to States, Territories, and Tribes to address habitats and species of greatest conservation need. An increase (+\$5,000) will fund a new competitive grant program for the highest ranking cooperative conservation projects that are in State Wildlife Plans that integrate the principles of cooperation and performance into conservation projects. It also provides increases for the competitive tribal grant program (+\$28) and the formula State grant program (+\$2,146).



NATIONAL PARK SERVICE

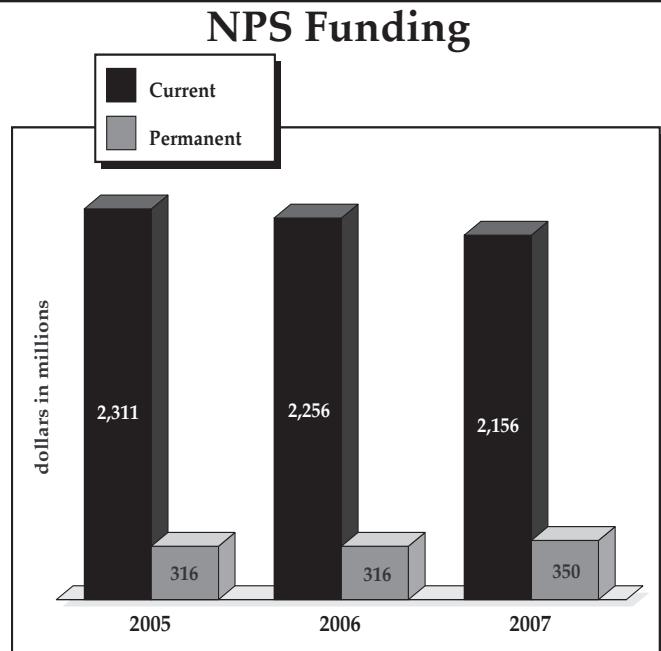
Mission—In 1872, the Congress designated Yellowstone National Park as the Nation's first "public park or pleasure ground for the benefit and enjoyment of the people." The subsequent establishment of the National Park Service on August 25, 1916, reflected a national consensus that natural and cultural resources must be set aside for public enjoyment and preserved for future generations. As stated in the original authorizing legislation, the Park Service mission is to "preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations."

Program Overview — Since 1872, the stewardship responsibilities of NPS have become more complex. The national park system has experienced significant growth over the past 30 years, with the addition of more than 100 new parks since 1973. Currently, the national park system includes 388 units covering 85 million acres in 49 States, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands.

In its entirety, the national park system represents and interprets the story of human history and natural sciences that together equal modern day America. The system preserves both the natural and cultural sites that are ingrained in the Nation's history. The parks offer an array of rewarding opportunities for much needed respite, reflection, and outdoor recreation to the American public. In 2005, 273 million people visited the Nation's national parks.

Employees are central to carrying out the Park Service mission. Almost eighty percent are employed in parks, with the remainder in headquarters, regional offices, and Service-wide programs. The NPS estimates that staffing will total 20,441 full time equivalents in 2007.

Park employees serve a diverse clientele of visitors and function in multiple roles, including stewards of the public trust, interpreters of natural and cultural sites, and guarantors of visitor safety. In the area of cultural resource preservation, park employees serve as historians,



curators, archeologists, and conservators. In the natural resource programs, park employees serve as biologists, hydrologists, geologists, and general resource management specialists.

Management Excellence — The Park Service continues to pursue a management strategy that integrates the President's management agenda and the Secretary's vision of citizen-centered governance. The Park Service has worked diligently to step down from the goals found in the Department's strategic plan, which fosters a cohesive approach to mission performance with improved program and service delivery, new technological capabilities, enhanced inter-bureau cooperation, and improved standards of accountability that stretch across the entire Interior Department.

In 2007, NPS will continue specific reforms to improve management of the deferred maintenance backlog and the effectiveness of its facility management programs. For 2007, the effectiveness and efficiency of the Visitor Services, Concessions Management, Technical Assistance, and Financial Assistance programs were reviewed using

the Program Assessment Rating Tool. The results will be discussed later in this section. The NPS is also closely examining park budgets and current management practices to enhance visitor services and streamline operations. Activities underway are discussed below.

Budget Overview — The 2007 NPS budget supports the Administration's goals to: protect park resources through the Natural Resource Challenge and the Cooperative Conservation Initiative; continue improvements in NPS asset management; and achieve improved efficiencies in the management of park programs while maintaining or improving program effectiveness. The NPS budget request is \$2.2 billion in current appropriations, a net decrease of \$100.5 million below the 2006 level that excludes the hurricane supplemental.

Park Operations — Funding for the Operation of the National Park System appropriation, which provides funds for visitor services, resource protection, and other park programs, is \$1.7 billion in current appropriations. The request is a net increase of \$23.4 million above the 2006 enacted level, including increases of \$30.3 million in pay, benefits and other fixed costs, and \$10.0 million for cyclic maintenance.

The primary source of funding to support park recreational activities comes from the park operating base. With these funds, parks offer services such as interpretive ranger programs, staffing at visitor centers, daily maintenance activities, and other programs designed to enhance visitor services and protect resources. The 2007 budget request maintains the funding levels provided in the 2006 appropriation, which included a net increase of more than \$24.6 million over 2005 recurring park base funding. The addition of pay costs for 2007, in conjunction with the combined implementation of management improvements, will ensure the continuation of enhancements to visitors and other services provided in 2006.

Surveys show that visitors are consistently satisfied with their experience at national parks. Visitor satisfaction remains at record levels. Every year since 1998, about 95 percent of park visitors have rated the overall quality of services as good or very good. In 2007, NPS proposes an increase of \$250,000 to strengthen the Service's capability to understand opinions about parks by expanding and refining the visitor services survey program. These funds will allow NPS to conduct a comprehensive survey of the American public on a periodic basis, conduct annual in-depth visitor surveys at a network of 20 to 30 indicator parks, and slightly expand the visitor survey card at the remaining parks. This increase is supported by the recommendations resulting from the Visitor Services PART review conducted for the 2007 budget.

The 2007 budget request also proposes key investments to address gaps in law enforcement resources and visitor health and safety across the national park system. An increase of \$500,000 is included to provide special agents in parks. These park-based special agents will provide investigative support to park ranger staffs in parks that extend over large geographic areas, have numerous access points, and are in areas of Federal jurisdiction where State and local agencies may not have the authority, funding, or personnel to perform these services. The specialized knowledge and investigative skills of special agents provide a cost-effective, force-multiplier effect for NPS and the government. In addition, \$750,000 is included in the budget request to base-fund the Federal Law Enforcement Training Center. Currently, training is funded from individual park budgets. Centrally funding FLETC will provide greater benefits and management efficiency Service-wide by allowing park units to dedicate critical law enforcement funds to on-the-ground visitor and resource protection programs while ensuring that adequate funding is available for critically important training.

The budget proposal also includes an increase of \$441,000 for the Public Health program. All increases in personnel expenses for this program have been absorbed for the last several years. The requested funding will allow NPS to adequately respond to outbreaks and disease transmission issues and conduct routine evaluations for safety of food, drinking water, wastewater, and vector-borne disease risks in the parks.

The NPS is also enhancing visitor services by rigorously examining base budgets Service-wide. Regional offices and park units have been focusing on initiatives that will streamline processes, lower costs, and increase productivity. Over the past two years, the Intermountain Region has worked with park superintendents, business educators, and Washington-area and regional staff to develop a Core Operations Analysis tool. This process assists park managers in making informed management decisions that focus park resources toward functions essential to achieving mission goals, and encouraging efficiencies based on the analysis of alternatives. Using this dynamic management tool, parks are enhancing effectiveness and efficiency. The Intermountain Region has successfully implemented the COA. The NPS is taking steps to make this management tool available Service-wide.

Cooperative Conservation — The NPS Traditional Challenge Cost Share program is funded at \$2.4 million in 2007, the same as the 2006 enacted level. These competitively selected projects provide opportunities for NPS managers to work with local communities and private landowners to achieve a variety of natural resource restoration objectives. Funding for the Lewis and Clark Bicentennial

challenge cost share is not included in the 2007 request, a reduction of \$2.4 million from the 2006 appropriation. With the celebration of the 200th anniversary of the expedition coming to a close in December 2006, funding is no longer needed in 2007.

Repair and Rehabilitation of Park Facilities — The 2007 budget request builds upon the five-year investment the Administration has made to effectively operate and maintain over 7,500 NPS facilities in good condition. Including the 2002 budget, the Administration has invested nearly \$4.7 billion and undertaken nearly 6,000 facility improvements within the national parks. A program increase of \$10.0 million is requested in the ONPS account for the cyclic maintenance program, resulting in a total of \$393.5 million for facility maintenance. This amount, together with construction funding totaling \$229.3 million, provides \$622.8 million for construction and facility maintenance projects in 2007.

During the past four years, the initial implementation phase of the NPS asset management program focused on conducting a full asset inventory; establishing a Service-wide baseline for facility conditions; utilizing the facility condition index and the asset priority index to target annual appropriations to improve the condition of high priority facilities Service-wide; and instituting performance measures to monitor progress made in addressing the deferred maintenance backlog. At the end of 2005, NPS had performed comprehensive assessments on 57 percent of its asset inventory. It is on track to meeting its goal of completing the first cycle of assessments by the conclusion of 2006. This investment has allowed NPS to target funds to the highest deferred maintenance priority needs and to set goals using a Facility Condition Index. With the funds expected through 2009, park assets will be improved to acceptable condition overall, as measured by the FCI.

With the proposed increase of \$10.0 million, the cyclic maintenance program now totals \$71.5 million. Increasing cyclic project dollars will afford parks the ability to maintain assets on a predictive cycle, rather than allowing them to fall into disrepair. Proposed cyclic maintenance funds would target those assets that are mission critical and still in a maintainable condition, but could fall into poor condition without the proper application of life cycle maintenance. Typical projects include road sealing, painting and roofing of buildings, sign repair and replacement, repair of dock and marine facilities, and upgrading electrical and security systems.

The 2007 budget also proposes to use additional recreation fee revenue for facility maintenance projects. It further assumes an investment of \$210.0 million from the Highway

Trust Fund for park roads and builds on progress made to improve road conditions.

Natural Resource Programs — The 2007 NPS budget request includes a \$2.4 million increase to conform to NPS' commitments under the National Parks Air Tour Management Act of 2000, which directs that NPS and the Federal Aviation Administration work collaboratively to develop commercial air tour management plans for all parks with commercial air tours. The purpose of developing these plans is to assist resource managers in minimizing or preventing adverse impacts on natural soundscapes and visitor experiences. The ATMP will determine appropriate levels of access for commercial air tours over NPS units by specifying flight routes, direction, minimum altitudes, time of day, and the number of flights. This proposal includes funding for an additional two FTEs to oversee contracted National Environmental Policy Act work, assist parks in acquiring acoustical data, and provide scientific expertise for soundscape management.

The 2007 budget includes an increase of \$1.0 million for natural resource programs to complete establishment of inventory and monitoring programs for all 272 natural resource parks and equip managers with critical information about the ecosystems they manage. The goal of this program is to develop a scientific base of knowledge to create a framework for measuring performance based on the health of flora and fauna and the quality of air and water in and around park lands.

The NPS also requests an increase of \$750,000 for additional exotic plant management teams to address the severe damage caused by invasive species to natural resources and the economy. The EPMTs will operate in three priority geo-regional areas—South Florida, the Northern Great Plains, and the Rio Grande River Basin—as part of the Department of the Interior's proposed cross-cut budget for invasive species management. By 2008, NPS expects to have contained 69,379 acres, or 2.4 percent, of the acres currently impacted by invasive species.

Cultural Resource Stewardship — The 2007 budget includes an increase of \$1.0 million to fund 20 term or contractor positions to accelerate the preparation of a cultural landscapes inventory and to update the list of classified structures. The 2006 PART evaluation of the Service's cultural resource stewardship programs identified the need to fully inventory and monitor historic structures as a high priority goal. The proposed increase would ensure that a full-time professional effort could be expended to ensure 83 percent of the historic and prehistoric structures in the inventory have complete, accurate, and reliable information. This is a 25 percent increase over the 2006 performance target.

Land Acquisition and State Assistance — The budget proposes funding land acquisition and State assistance at \$24.3 million in current appropriations. The request includes \$22.7 million for the NPS portion of the Federal land acquisition program. The Federal land acquisition program provides funding to acquire land, or interests in lands, for inclusion in the national park system in order to preserve nationally important natural and historic resources. Included within the proposal is \$5.0 million to acquire land to preserve for future generations a site that honors the passengers and crew of Flight 93, who gave their lives thwarting a planned attack on Washington, D.C. on September 11, 2001. The request also includes \$4.0 million to provide grants to States and local communities to preserve and protect Civil War battlefield sites.

The 2007 budget request reiterates a proposal to terminate funding for State assistance grants. Paying for improvements to State and local parks is a decision better left to State and local taxpayers rather than Federal taxpayers. As the Administration strives to trim the Federal deficit, focusing on core Federal agency responsibilities is imperative. The 2007 request does include \$1.6 million for the administration of the LWCF State assistance program. This will allow staff to focus on accountability and performance of existing grants rather than issuing new grants. Staff will conduct selective evaluations among the 40,000 State planning, acquisition, and development projects and an estimated 32,000 park sites nationwide to ensure each assisted site remains in public outdoor recreation use in perpetuity.

Construction — The Construction and Major Maintenance account is funded at \$229.3 million in current appropriations, \$84.6 million below the 2006 appropriation, when hurricane supplemental funding is excluded. With these funds, together with facility maintenance, recreation fees, and park roads funding, the budget request focuses on protecting and maintaining existing assets rather than funding new construction projects. Within the total proposed for construction, line-item construction projects are funded at \$121.9 million. This includes \$13.3 million for the Everglades Modified Water Deliveries project.

U.S. Park Police — In December 2004 the Department's Office of Law Enforcement and Security, NPS, and the Park Police concluded an internal review clarifying the mission and responsibilities of the Park Police. This review was closely coordinated with the National Academy of Public Administration review directed by the Congress in December 2003. The joint review prioritized each function of the USPP. The result is a redeployed force that addresses icon protection needs, more appropriately shares duties with other Federal, State, and local law enforcement agencies, and uses civilian personnel instead of sworn officers to

complete some functions. The 2007 budget proposes an increase of \$755,000 that will allow the USPP to recruit and train a larger recruit class, sustaining a force of 613 sworn officers. The remaining increase will expand the force to 620 officers by the end of 2007, with \$948,000 dedicated to national icon security and \$1.1 million for highest priority police operations. This force will be far better aligned with the USPP core mission responsibilities and its long-term staffing plan.

National Recreation and Preservation — This appropriation funds programs connected with local community efforts to preserve natural and cultural resources. For 2007, these programs are proposed at \$33.3 million, a decrease of \$20.9 million from the 2006 appropriation. The budget proposes \$7.7 million for Rivers, Trails, and Conservation Assistance, a decrease of \$500,000 from 2006, and eliminates \$5.8 million in funding for Statutory and Contractual Aid. The request for these programs reflects the NPS focus on its core missions. National Heritage Areas are proposed for funding in the Historic Preservation Fund appropriation in 2007, and are discussed below.

Historic Preservation — The NPS plays a vital role in preserving the Nation's cultural history through a variety of stewardship programs that address unmet preservation needs nationwide.

The 2007 budget proposes to focus resources for the Preserve America, Heritage Partnerships, and Save America's Treasures programs into a unified \$32.2 million heritage and preservation program. Preserve America grants help States and communities preserve their historic resources by incorporating them into their local economies. The 2007 budget includes \$10.0 million, an increase of \$5.1 million above the 2006 level for these grants. The Save America's Treasures grants complement the Preserve America initiative by assisting communities in the restoration of historic sites and collections. The budget request includes \$14.8 million for Save America's Treasures. Grants under this program are awarded through a competitive process and require a dollar-for-dollar non-Federal match, which can be cash, donated services, or use of equipment. The Heritage Partnership Program provides seed money for congressionally designated, but locally managed, national heritage areas. The 2007 budget request includes \$7.4 million for heritage areas. The combination of these programs will allow local communities to determine which strategies best suit their heritage needs; apply to the most appropriate programs for repairing historic buildings, conserving museum resources, and promoting heritage development; and effect better coordination and allow for greater efficiencies in meeting the goals to enhance and expand opportunities for cultural resource preservation throughout the Nation.

The budget includes a request of \$39.7 million, the same as the 2006 appropriation, for the Historic Preservation Fund matching grants to States, Territories, and Tribes to preserve historically and culturally significant sites. Grants-in-Aid to Historically Black Colleges and Universities are eliminated, a decrease of \$2.9 million.

Recreational Fee Program — In 2005, Congress passed the Federal Lands Recreation Enhancement Act, which will enable the land management agencies to provide and improve recreation and related visitor amenities to enhance the visitor experience on NPS, FWS, BLM, and Reclamation public lands. The Act extends the authority to collect recreation fees until 2014 and establishes important parameters for the fee program to ensure that fees are charged only in appropriate locations and fee revenues are appropriately spent on infrastructure and services that directly benefit the public. In 2007, the Department will continue its transition from the Recreational Fee Demonstration program to fully implement REA. The NPS estimates that it will collect \$165.0 million in recreation fees in 2007.

Information Technology — The 2007 budget includes

an increase of \$1.6 million for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide intranet, and a technical support center.

Other Program Changes — The 2007 request includes an increase of \$1.6 million in revenues from commercial filming on NPS lands, to be offset by a corresponding decrease in park appropriated funding, as well as a decrease of \$1.4 million resulting from an analysis of NPS training operations Service-wide.

Fixed Costs — The 2007 budget request includes an increase of \$46.6 million for non-discretionary fixed cost increases, of which \$33.8 million are budgeted and \$12.9 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
 (all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted	2007 Request	Change from 2006	
	FTE	Amount	FTE	Amount
Appropriations				
Operation of the National Park System.....	15,554	1,718,940	15,415	1,742,317
United States Park Police	735	80,213	759	84,775
National Recreation and Preservation	283	54,156	259	33,261
Historic Preservation Fund.....	3	72,172	10	71,858
Construction and Major Maintenance	468	313,858	607	229,269
Land Acquisition and State Assistance	122	46,954	110	24,343
LWCF Contract Authority (Rescission).....	0	-30,000	0	-30,000
Subtotal, Appropriations (w/o hurricane supp.)....	17,165	2,256,293	17,160	2,155,823
Hurricane Supplemental.....	0	19,000	0	0
Subtotal, Appropriations (w/ hurricane supp.)	17,165	2,275,293	17,160	2,155,823
			-5	-100,470
			0	-19,000
			-5	-119,470
Mandatory Appropriations				
Recreation Fee Permanent Appropriations	1,234	166,300	1,234	179,311
Other Permanent Appropriations	267	99,813	267	105,382
Miscellaneous Trust Funds	125	20,008	125	20,008
Construction Trust Fund	5	0	5	0
Spectrum Relocation Activities	0	0	0	15,453
LWCF Contract Authority.....	0	30,000	0	30,000
Subtotal, Mandatory Appropriations.....	1,631	316,121	1,631	350,154
			0	+34,033
Transfers, Reimbursables and Allocations				
Transfers	973	0	956	0
Reimbursables	694	0	694	0
Subtotal, Other.....	1,667	0	1,650	0
			-17	0
TOTAL, NATIONAL PARK SERVICE (w/o h. supp.)..	20,463	2,572,414	20,441	2,505,977
TOTAL, NATIONAL PARK SERVICE (w/ h. supp.) ...	20,463	2,591,414	20,441	2,505,977
			-22	-66,437
			-22	-85,437

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Operation of National Park System

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Park Management				
Resource Stewardship	348,738	352,919	362,447	+9,528
Visitor Services	338,454	346,704	344,814	-1,890
Facility Operations and Maintenance ..	582,739	593,074	601,800	+8,726
Park Support.....	290,400	297,607	298,190	+583
Net Transfers.....	4,470	0	0	0
Subtotal, Park Management	1,564,801	1,590,304	1,607,251	+16,947
External Administrative Costs	123,935	128,636	135,066	+6,430
TOTAL APPROPRIATION	1,688,736	1,718,940	1,742,317	+23,377

Highlights of Budget Changes

	Amount [+41,627]
Fixed Costs	+9,528
Park Management	
Resources Stewardship	
Increases are proposed to refine the visitor services survey (+\$250), expand exotic plant management teams in three target areas (+\$750), develop air tour management plans in partnership with the Federal Aviation Administration (+\$2,402), complete vital signs inventory and monitoring networks (+\$1,000), and enhance inventory and monitoring of historic structures and landscapes (+\$1,000). A decrease is proposed for the Vanishing Treasures initiative (-\$296) and to eliminate funding for the Mammoth Cave International Center for Science and Learning (-\$222). Fixed costs total \$6,634, of which \$4,644 are budgeted and \$1,990 are absorbed.	+9,528
Visitor Services	-1,890
Increases are proposed to base fund Federal law enforcement training (+\$750), provide special agent support to parks with critical issues (+\$500), sustain public health services to parks (+\$441), and improve concessions contracting oversight (+\$911). A decrease to visitor services will be offset by revenue authorized by location fee legislation for filming and photography on public land (-\$1,600). A transfer of the Harpers Ferry Center operations to Construction (-\$10,398) is also included. Fixed costs total \$10,723, of which \$7,506 are budgeted and \$3,217 are absorbed.	-1,890
Facility Operations and Maintenance	+8,726
An increase is proposed for cyclic maintenance of park facilities (+\$10,000). A decrease is proposed for the repair and rehabilitation program (-\$10,000). Fixed costs total \$12,468, of which \$8,726 are budgeted and \$3,742 are absorbed.	+8,726
Park Support	+583
Increases are proposed to improve oversight of the Partnership program (+\$310) and for Roosevelt Campobello International Park (+\$120). Decreases are proposed for servicewide training (-\$1,423), Wild and Scenic River Partnerships (-\$247), Lewis and Clark Corps of Discovery II (-\$719), Beringia (-\$33), and to discontinue the Lewis & Clark Challenge Cost Share (-\$2,463). A decrease is also proposed to eliminate 2006 non-recurring information technology (-\$1,762). Also included are the transfers of Jamestown 2007, Johnstown Area Museum, and Ice Age Reserve from statutory aid (+\$1,215) and a transfer of GSA space funding to External Administrative Costs (-\$60). Fixed costs total \$8,063, of which \$5,645 are budgeted and \$2,418 are absorbed.	+583

	<u>Amount</u>
External Administrative Costs	+6,430
Increases are proposed for information technology to implement QuickTime (+\$987) and \$1.6 million for projects funded through the Working Capital Fund to support Departmentwide efforts in: Enterprise Messaging System conversion (+\$537), operation of the Enterprise Services Network (+\$971), elimination of the Department's FOIA appeals backlog (+\$73), and Geographic Information Management (+\$63). Also included is a transfer of GSA space funding from Park Support (+\$60). Fixed costs total \$3,739, of which \$3,739 are budgeted.	

APPROPRIATION: United States Park Police

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	80,076	80,213	84,775	+4,562

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+2,476]
United States Park Police Operations	+4,562
Increases are proposed to sustain the U.S. Park Police force (+\$755) and implement the mission review and NAPA recommendations (+\$2,074). Fixed costs total \$2,476, of which \$1,733 are budgeted and \$743 are absorbed.	

APPROPRIATION: National Recreation and Preservation

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Recreation Programs.....	543	546	557	+11
Natural Programs.....	10,865	9,700	9,437	-263
Cultural Programs	19,933	19,733	19,694	-39
Environmental Compliance and Review.	391	393	403	+10
Grants Administration	1,866	1,885	1,613	-272
International Park Affairs	1,593	1,594	1,557	-37
Heritage Partnership Programs				
Commissions and Grants.....	14,459	13,202	0	-13,202
Administrative Support	120	99	0	-99
Subtotal, Heritage Partnership.....	14,579	13,301	0	-13,301

Statutory or Contractual Aid

Alaska National Parks.....	740	0	0	0
Benjamin Franklin Tercentenary Comm..	247	0	0	0
Black Jack Battlefield Trust	88	0	0	0
Brown Foundation	247	246	0	-246
Chesapeake Bay Gateways and Water Trails	2,465	1,478	0	-1,478
CrossRoads of the West Historic District.	0	493	0	-493
Delta Interpretive Center	0	985	0	-985
Flight 93 Memorial.....	247	0	0	0
Ft. Mandan, Ft. Lincoln, and Northern Plains Foundation	616	616	0	-616
George Washington Memorial Bridge	99	0	0	0
Harper's Ferry NHP (Niagra Movement)	0	296	0	-296
Ice Age National Scientific Reserve	785	773	0	-773

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Jamestown 2007 Commission.....	394	394	0	-394
Johnstown Area Heritage				
Association Museum	48	48	0	-48
Keweenaw NHP	789	0	0	0
Lamprey Wild and Scenic River	887	591	0	-591
Lower Eastside Tenement Museum	247	0	0	0
Mississippi Museum of Natural Science ..	740	0	0	0
Mt. Rainier NP	690	0	0	0
Natchez NHP	148	0	0	0
Native Hawaiian Culture and				
Arts Program	740	591	0	-591
Siege and Battle of Corinth				
Commission (Contraband Comp)	0	493	0	-493
Sleeping Rainbow Ranch,				
Capitol Reef NP	592	0	0	0
Subtotal, Statutory/Contractual Aid	11,203	7,004	0	-7,004
Net Transfers.....	250	0	0	0
TOTAL APPROPRIATION	61,223	54,156	33,261	-20,895

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+932]
Recreation Programs	+11
Fixed costs total \$16, of which \$11 are budgeted and \$5 are absorbed.	
Natural Programs	-263
A decrease is proposed to reduce Rivers, Trails, and Conservation Assistance (-\$500). Fixed costs total \$339, of which \$237 are budgeted and \$102 are absorbed.	
Cultural Programs	-39
A decrease is proposed to discontinue the National Underground Railroad to Freedom grants program (-\$368). Fixed costs total \$469, of which \$329 are budgeted and \$140 are absorbed.	
Environmental Compliance and Review	+10
Fixed costs total \$14, of which \$10 are budgeted and \$4 are absorbed.	
Grants Administration	-272
A decrease is proposed to eliminate Urban Parks and Recreation Fund grants administration (-\$306). Fixed costs total \$49, of which \$34 are budgeted and \$15 are absorbed.	
International Park Affairs	-37
A decrease is proposed to reduce support for the International Park Affairs Program (-\$34) and the International Border Program (-\$34). Fixed costs total \$45, of which \$31 are budgeted and \$14 are absorbed.	
Heritage Partnership Programs	-13,301
It is proposed that Heritage Partnership Programs be transferred to the Historic Preservation Fund activity (-\$13,301).	
Statutory or Contractual Aid	-7,004
It is proposed that funding for Jamestown 2007, Johnstown Area Museum, and Ice Age Reserve be transferred to the Operation of the National Park System (-\$1,215) and the Statutory Aid activity be eliminated (-\$5,789).	

APPROPRIATION: Historic Preservation Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Grants-in-Aid.....	42,156	42,614	39,658	-2,956
American Heritage and Preservation Partnership Program				
Heritage Partnership Programs	0	0	7,400	+7,400
Save America's Treasures ^{1/}	29,583	24,632	14,800	-9,832
Preserve America ^{1/}	0	4,926	10,000	+5,074
Subtotal, American Heritage and Preservation Partnership Program...	29,583	29,558	32,200	+2,642
TOTAL APPROPRIATION	71,739	72,172	71,858	-314

^{1/}Preserve America appropriation of \$4.926 million in 2006 was provided within the Save America's Treasures appropriation of \$29.558 million.

Highlights of Budget Changes

	Amount
Fixed Costs	[+3]
Grants-in-Aid	-2,956
A decrease is proposed to eliminate support for grants-in-aid to Historically Black Colleges and Universities (-\$2,956).	
American Heritage and Preservation Partnership Program	+2,642
Decreases are proposed to reduce support for grants-in-aid to Save America's Treasures (-\$9,832), and Heritage Partnership programs (-\$5,903). An increase is proposed to increase support for the Preserve America Grants program (+\$5,074). Also included is the transfer of the Heritage Partnership programs from National Recreation and Preservation (+\$13,301). Fixed costs total \$3, of which \$2 are budgeted and \$1 are absorbed.	

APPROPRIATION: Construction and Major Maintenance

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Line Item Construction and Maint.	189,748	214,890	121,931	-92,959
Special Programs				
Emergency, Unscheduled.....	3,944	2,956	2,956	0
Housing	7,889	6,897	6,897	0
Dam Safety	2,662	2,623	2,623	0
Equipment Replacement.....	36,900	25,617	23,617	-2,000
Construction Planning	20,925	19,632	19,649	+17
Construction Program Mgmt and Ops	26,984	27,691	38,360	+10,669
General Management Planning	13,128	13,552	13,236	-316
Net Transfers.....	-9,354	0	0	0
2005 Fort Baker Transfer.....	1,900	0	0	0
TOTAL APPROPRIATION (w/o h. supps.) ..	294,726	313,858	229,269	-84,589
Hurricane Supplementals	50,802	19,000	0	-19,000
TOTAL APPROPRIATION (w/ h. supps.)	345,528	332,858	229,269	-103,589
Transfer from Ft. Baker, Golden Gate NRA...	[0]	[+1,900]	[0]	[-1,900]

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+1,190]
Line-item Construction	-92,959
A decrease is proposed to focus line-item construction on deferred maintenance (-\$75,959). Also included is the discontinuation of the 2006 transfer of unobligated balances from Land Acquisition (-\$17,000).	
Special Programs	
Equipment Replacement	-2,000
A decrease is proposed to reduce support for narrowband radio conversion (-\$2,000).	
Construction Planning	+17
Fixed costs total \$24, of which \$17 are budgeted and \$7 are absorbed.	
Construction Program Management and Operations	+10,669
Included in the request is the transfer of Harpers Ferry Center operations from the Operation of the National Park System activity (+\$10,398). A decrease is proposed to reduce support for the Harpers Ferry Center (-\$400). Fixed costs total \$959, of which \$671 are budgeted and \$288 are absorbed.	
General Management Planning	-316
A decrease is proposed to reduce support for General Management Planning (-\$461). Fixed costs total \$207, of which \$145 are budgeted and \$62 are absorbed.	

APPROPRIATION: Land Acquisition and State Assistance

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Assistance to States				
State Conservation Grants	89,736	27,995	0	-27,995
Administrative Expenses	1,479	1,564	1,625	+61
National Park Service				
Acquisitions	39,839	19,864	9,000	-10,864
Emergencies and Hardships.....	2,465	2,463	2,349	-114
Inholdings	2,465	2,463	2,348	-115
Acquisition Management.....	10,365	9,605	9,021	-584
Net Transfers.....	-2,035	-17,000	0	+17,000
TOTAL APPROPRIATION	144,314	46,954	24,343	-22,611

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+396]
State Conservation Grants	-27,995
A decrease is proposed to eliminate State Conservation Grants (-\$27,995).	
State Grants Administration	+61
Fixed costs total \$87, of which \$61 are budgeted and \$26 are absorbed.	
Federal Land Acquisition	-11,093
A decrease is proposed to focus land acquisition primarily on emergency projects and inholdings (-\$11,093).	
Acquisition Management	-584
A decrease is proposed for land acquisition administration (-\$800). Fixed costs total \$309, of which \$216 are budgeted and \$93 are absorbed.	

APPROPRIATION: Land and Water Conservation Fund Contract Authority

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	-30,000	-30,000	-30,000	0



BUREAU OF INDIAN AFFAIRS

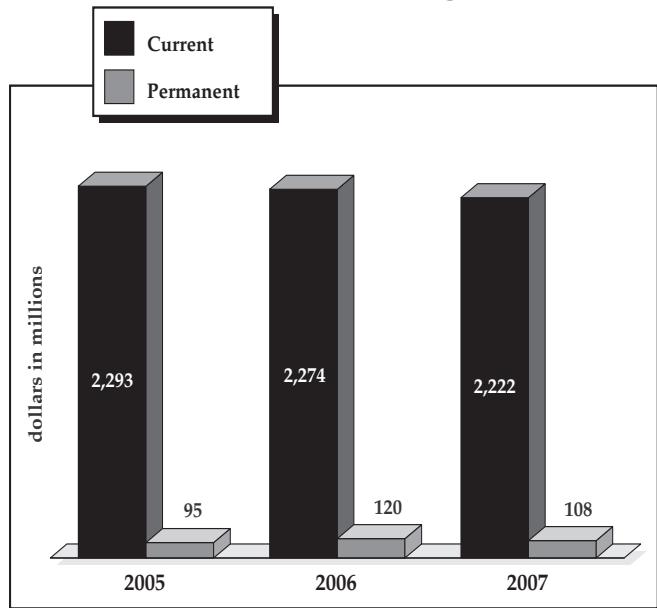
Background — In the last two centuries, the Congress has passed more Federal laws affecting Native Americans than any other group of people in the United States. The Snyder Act, the Indian Self-Determination and Education Assistance Act, the Native American Education Improvement Act of 2000, and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country. While the Federal trust obligation lies at the heart of this special relationship, the scope of the United States' responsibilities to Native Americans extends beyond basic trust obligations to include a wide range of services delivered in concert with the enhancement of Indian self-determination. The Congress has placed the major responsibility for Indian matters in the Interior Department, primarily with the Bureau of Indian Affairs.

Mission — The mission of BIA is to fulfill its trust responsibilities and promote self-determination on behalf of federally recognized Indian Tribes.

Program Overview — The BIA provides services directly or through contracts, grants, or compacts to a service population of 1.6 million American Indians and Alaska Natives who are members of 561 federally recognized Indian Tribes in the 48 contiguous United States and Alaska. While the role of BIA has changed significantly in the last three decades in response to a greater emphasis on Indian self-determination, Tribes still look to BIA for a broad spectrum of services. The BIA programs are funded and operated in a highly decentralized manner, with about 90 percent of all appropriations expended at the local level, and about 50 percent of appropriations provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs.

The extensive scope of BIA programs covers virtually the entire range of State and local government services. Programs administered by either Tribes or BIA include an education system for almost 48,000 elementary and secondary students; 26 tribal colleges, universities, and post-secondary schools; social services; natural resources management on 56 million acres of trust land; economic development programs in some of the most isolated and

BIA Funding

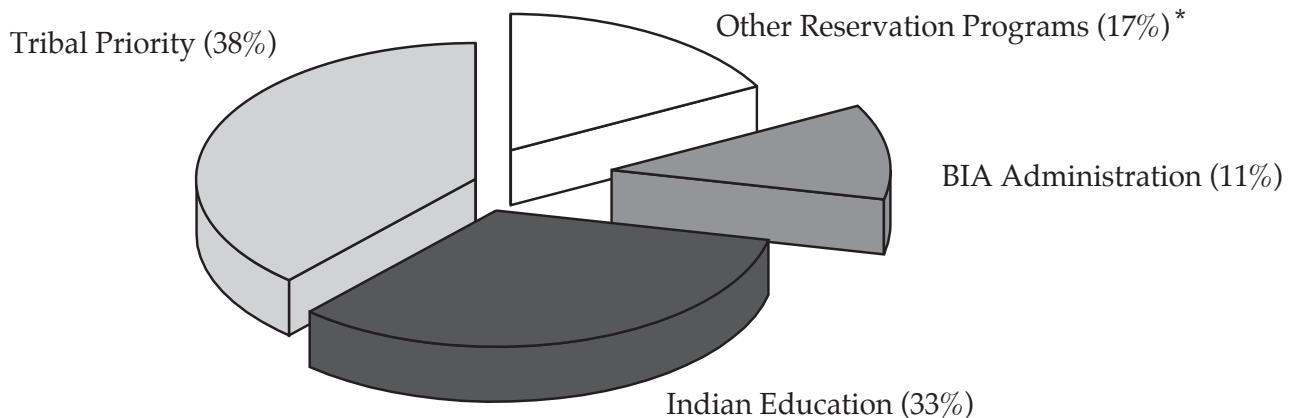


economically depressed areas of the United States; law enforcement; administration of tribal courts; implementation of land and water claim settlements; replacement and repair of schools; repair and maintenance of roads and bridges; operation and maintenance of irrigation infrastructures; and repair of structural deficiencies on high hazard dams.

Management Excellence — The BIA programs uphold the government-to-government relationship with Tribes, honor trust responsibilities, and provide many diverse services to American Indians and Alaska Natives. The BIA continues to follow the President's management agenda for improving management and performance of the Federal government. In formulating the 2007 budget, BIA re-examined its entire budget, focusing on its core mission areas—trust and education. This approach, informed through Indian consultation, has produced a budget that preserves programs serving the largest Indian populations on a nationwide basis and includes changes in distribution of funding in some program areas to support higher priority needs.

Operation of Indian Programs

\$1.97 billion



In 2007, nine of every ten dollars appropriated to BIA will be provided to education, human resources, trust services, and other on-the-ground programs

** Includes the following: resources management, trust services, law enforcement, and other reservation programs.*

To ensure quality education for BIA students, the bureau worked with Tribes and tribal school boards to develop a program improvement and accountability plan to improve the effectiveness of the education services provided in its school system and address key risks facing the BIA education programs. The plan proposes a reorganization of the Office of Indian Education management structure to more effectively lead the school system; provide improved service delivery to students; and meet adequate yearly progress as required by the No Child Left Behind Act. The Department of Education participated in reviewing the draft plan, which was finalized in August 2005.

As part of the 2007 budget formulation process, the Housing Improvement, Indian Irrigation Operations and Maintenance, Dam Safety and Dam Maintenance, and the Guaranteed Loan programs were evaluated using the Program Assessment Rating Tool. The assessment found the Housing Improvement program has had problems with management oversight, but has begun efforts to improve by developing standards to maintain program consistency in all regions. The Indian Irrigation Operations and Maintenance program was directed to develop an inventory of facility conditions. The PART determined that the Dams Safety and Maintenance program collaborates effectively with Federal, State, and tribal organizations for the safe operation of dams nationwide. The Guaranteed Loan program was found to address a specific and unique challenge in Indian Country by providing financial services for small business development.

Interior has developed a five-year strategic plan to guide its resource allocations and program decisions and improve accountability. The BIA programs and services support the Department's outcome goals to fulfill Indian trust responsibilities and advance quality communities for Tribes. In 2007, BIA and Tribes will continue to strengthen baseline data and refine tracking and reporting mechanisms to ensure that timely and accurate performance information is available and integrated into budget decisions. The BIA, in consultation with the Tribes, will also continue to examine the bureau's budget to ensure that dollars are being directed to the highest priority needs in Indian Country.

Budget Overview — The 2007 budget request for BIA is \$2.2 billion in current appropriations, a decrease of \$52.4 million below the 2006 enacted budget. The Operation of Indian Programs account is funded at \$1.97 billion, an increase of \$4.4 million. The budget continues the Department's commitment to reform trust management and provides increases to strengthen Indian self-determination, enhance education, address law enforcement issues, and support development of energy resources in Indian Country. The budget also includes reductions in programs due to a lack of performance accountability, duplication of other State and Federal programs, and implementation of management efficiencies.

In an effort to improve budget and performance integration, BIA, after consultation with the Tribes, presents the Operation of Indian Programs account in a restructured

format. The revised structure groups budget programs by function rather than organization. The new format facilitates budget analysis as programs can be viewed comprehensively to understand the breadth of each program. In the previous budget structure, funding for the same program could appear in several different locations in the budget. The new structure strengthens performance measurement by grouping program elements that impact the same performance goals.

Improving Trust Management — Management of trust assets for Tribes and individual Indians is a key component of the BIA mission. The BIA continues to work closely with the Office of the Special Trustee for American Indians on the Department's on-going efforts to reform current trust systems, policies, and procedures. The 2007 budget provides an increase of \$11.5 million for BIA to meet the requirements outlined in the Fiduciary Trust Model and continue trust reform initiatives.

The trust increase includes \$3.0 million for staff and contract costs associated with about 24,000 cases. The BIA is responsible for pre-case preparation, case preparation, and closings. Another component of the Trust model is the re-engineered land survey practices. The 2007 budget provides an increase of \$6.5 million to implement the cadastral survey recommendations of the FTM. These recommendations propose improvements to the cadastral survey process to eliminate backlogs and reduce the cost of surveys, establish a Certified Federal Surveyor program, and maintain the Public Lands Survey system. The Certified Federal Surveyor program will support training of BIA employees through curricula to be offered by the United Tribes Technical College and the Crownpoint Institute of Technology. The program will equip students with the technical and professional skills to become certified surveyors.

The 2007 BIA budget request also includes \$2.0 million for Indian energy resource development, which is discussed later.

These trust related increases are partially offset by program reductions of \$962,000 in the endangered species program and \$1.1 million in the noxious weeds program as a result of program priority reassessments.

Contract Support — The BIA budget proposes an increase of \$19.0 million to fully fund indirect costs for contracting Tribes. This increase is partially offset by a \$971,000 reduction in the Indian Self-Determination Fund which has sufficient carryover funds to meet estimated needs in 2007. Full funding of contract support costs encourages tribal contracting and promotes progress in achieving Indian self-determination.

Indian Education — Since the founding of the Nation, Indian education programs have responded to treaty requirements and Federal statutes, including the Snyder Act, Johnson-O'Malley Act, Elementary and Secondary Education Act, Tribally Controlled Schools Act, Indian Self-Determination and Education Assistance Act, Indian Education Amendments of 1978, Individuals with Disabilities Education Act, and the Improving America's Schools Act. In January 2002, the President signed into law the No Child Left Behind Act of 2001, which includes the Native American Education Improvement Act of 2001.

Education is critical to ensuring a viable and prosperous future for tribal communities and American Indians. One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood. The school operations budget represents a continued commitment to the future of American Indian youth and supports the President's commitment to "leave no child behind". The \$536.0 million BIA request for elementary and secondary school operations will support 184 schools and dormitories serving almost 48,000 students. The \$103.2 million BIA request for post-secondary schools will support two BIA and 24 tribal colleges and universities as well as scholarships for Indian students. The BIA funded schools also receive funding from the Department of Education and other sources.

The BIA is accountable for developing adequate strategies, monitoring, and helping BIA funded schools reach achievement targets as defined in the Yearly Progress of the accountability system under the No Child Left Behind Act that measures student proficiency in math, reading, and language arts. Student performance at BIA schools, while improving, remains lower than national averages. In school year 2004-2005, 30 percent of BIA schools met the measure for AYP. The BIA worked with Tribes and tribal school boards to develop a program improvement and accountability plan to improve the effectiveness of the education services provided in the bureau funded school system.

The 2007 BIA budget includes an increase of \$2.5 million to meet the objectives of the program improvement and accountability plan. The BIA is realigning education offices in the field and in headquarters to a more centrally coordinated organization. The restructured program will provide the oversight capacity necessary to promote progress in student achievement in all schools. The new organizational structure establishes new leadership positions, placing senior executives in strategically located education line offices to strengthen accountability. A mix of data, contract, and finance specialists at a central location will provide system-wide services allowing school administrators and teachers to focus on student needs.

The BIA believes that juveniles temporarily detained in detention centers are less likely to repeat offenses if they have the opportunity to stay current with their academic instruction. The budget includes an increase of \$630,000 to establish education programs for juveniles housed at the 20 BIA funded juvenile detention centers. The increase will support contracts that provide educational instruction to these students on an interim basis, as needed.

Johnson-O'Malley grants, funded with Tribal Priority Allocations, are distributed by the Tribes to address Indian student needs in local public schools. The budget proposes to eliminate funding for JOM grants. These grants are duplicative of other Federal and State assistance programs and do not address a focused goal for academic achievement. Eliminating the \$16.4 million JOM grants allows BIA to realign funds and focus resources on the requirements of the BIA funded school system, while also reducing redundancy with other Federal programs.

Funding for post-secondary education totals \$103.2 million in the 2007 budget. The BIA budget includes funding for grants to 24 tribal colleges and universities, Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute, as well as tribal and BIA scholarships, at approximately the same level as 2006. The budget eliminates \$824,000 in funding for tribal colleges and universities endowment grants which supplement basic operational costs.

Indian School Construction—Providing Indian children with safe and nurturing places to learn is one of Interior's highest priorities. The 2007 budget requests \$157.4 million for school construction and repair, \$49.3 million below the 2006 enacted level. Although a reduction from previous years, the budget will fund new projects while allowing the program to focus on building the schools already funded for construction.

The President made a commitment to replace, rebuild, and repair facilities in the BIA funded school system to eliminate health and safety deficiencies. Between 2001 and 2006, \$1.6 billion has been appropriated for the Indian education construction program. Of the 37 replacement schools funded between 2001 and 2006, 10 of these have been completed and another 19 are scheduled to be completed in 2006 and 2007. Of the 45 major facility improvement and repair projects funded between 2001 and 2006, nine have been completed and 25 are scheduled to be completed in 2006 and 2007.

In the 2007 budget request, the \$36.5 million proposed for replacement school construction will complete funding for the Muckleshoot Tribal School in Washington and fully fund the Dennehotso Boarding School in Arizona.

The education construction account also includes \$41.3 million for Facilities Improvement and Repair projects, and \$50.5 million for annual maintenance.

The 2007 budget proposes a new budget subactivity, Replacement Facility Construction, to conform to the recommendations of the Inspector General's report on the use of facility improvement and repair funds. This new subactivity will fund replacement of individual buildings on school campuses when entire new school facilities are not needed. Often times, it is more economically prudent to replace a structure than to repair or rehabilitate it, but replacement of a structure is classified as construction, rather than facility improvement and repair. In 2007, the \$26.9 million proposed for this subactivity will fund the replacement of four buildings.

Public Safety and Justice in Indian Country—Law enforcement and security issues continue to mount in Indian Country even as solutions are attained. The Department of Justice, under a joint Justice-Interior initiative, has provided funding to build or expand 21 detention facilities. In September 2004, the Office of the Inspector General released an assessment of Indian detention facilities which documented poor conditions at other bureau-owned facilities. The BIA has responded to the IG report by expanding its detention center construction program. The 2007 budget continues to aggressively confront this issue by requesting \$8.1 million for four major Facilities Improvement and Repair projects and several smaller projects to continue to bring Indian detention centers up to national standards.

The 2007 BIA budget also includes \$4.5 million for law enforcement activities in Indian Country. The increase includes \$1.8 million to expand law enforcement programs in areas where violent crime is most severe and \$2.7 million to staff, operate, and maintain detention facilities built with Department of Justice funding that will be certified for occupancy in 2007.

Energy Development—In recognition of the significant potential and benefits related to increased energy development on Indian lands, the 2007 budget proposes \$2.0 million for Indian energy resource development as outlined in the Energy Policy Act of 2005. Funding includes \$1.4 million for grants to Indian Tribes for energy development activities including energy inventories, feasibility studies, tribal energy resource agreements, training, and development of tribal energy codes. Funding also includes \$600,000 for BIA oversight including approval of tribal energy resource agreements, and technical assistance.

Resolving Land and Water Claims—The \$33.9 million BIA budget for Indian Land and Water Claim Settlements

includes \$22.3 million for two new settlements. The Snake River Water Rights Act of 2004 requires that the Department provide the Nez Perce Tribe and the State of Idaho \$170.9 million to fund water supply, habitat restoration, and other purposes. The BIA portion of the settlement is \$95.8 million over seven years.

The 2007 BIA budget includes \$14.8 million for payments to the Nez Perce Tribe Water and Fisheries Fund, Nez Perce Tribe Salmon and Clearwater River Basins Habitat Account, and Nez Perce Tribe Domestic Water Supply Fund. The BIA budget also includes \$7.5 million for the first of two payments for Rocky Boy's Water Systems Operation, Maintenance, and Replacement Trust Fund. The total authorization for the trust fund is \$15.0 million. Reductions for the Colorado Ute, the Zuni, and Quinault Indian Nation land and water settlements which were completed

or almost completed in 2006, totaling \$23.1 million, offset the increase requested for the new settlements.

Other Program Changes — The budget includes reductions in programs due to a lack of performance accountability, duplication of other Federal or State programs, and implementation of management efficiencies. These reductions include \$11.0 million for welfare assistance, \$2.6 million for road maintenance, \$1.1 million for community fire protection, and \$1.9 million for water management and planning. An increase of \$4.2 million is proposed for GSA and direct rentals.

Fixed Costs — Fixed cost increases total \$33.7 million of which \$24.6 million is requested in the budget and \$9.1 million is absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted		2007 Request		Change from 2006	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of Indian Programs	6,591	1,962,190	6,563	1,966,594	-28	+4,404
Reimbursable Programs	814	0	814	0	0	0
Allocations from Other Agencies.....	725	0	703	0	-22	0
Construction	421	271,582	421	215,049	0	-56,533
Reimbursable Programs	37	0	37	0	0	0
Allocations from Other Agencies.....	577	0	577	0	0	0
Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians	0	34,243	0	33,946	0	-297
Indian Guaranteed Loan Program Account.....	4	6,255	4	6,262	0	+7
Subtotal, Appropriations.....	9,169	2,274,270	9,119	2,221,851	-50	-52,419
Permanents and Trusts						
Operation and Maintenance of Quarters.....	63	5,765	63	6,198	0	+433
Miscellaneous Permanent Appropriations.....	398	93,410	398	100,395	0	+6,985
White Earth Settlement Fund.....	0	3,000	0	3,000	0	0
Indian Guaranteed Loan Program Account.....	0	20,000	0	0	0	-20,000
Revolving Fund for Loans, Liquidating Account...	0	-2,000	0	-2,000	0	0
Subtotal, Permanents and Trusts	461	120,175	461	107,593	0	-12,582
TOTAL, BUREAU OF INDIAN AFFAIRS	9,630	2,394,445	9,580	2,329,444	-50	-65,001

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of Indian Programs

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Tribal Government				
Aid to Tribal Government.....	34,394	36,699	36,256	-443
Consolidated Tribal Gov't Program.....	64,629	61,352	63,413	+2,061
Self Governance Compacts.....	135,894	138,079	142,761	+4,682
Contract Support.....	134,420	132,628	151,628	+19,000
Indian Self-Determination Fund.....	986	971	0	-971
New Tribes	1,098	1,402	316	-1,086
Tribal Gov't. Program Oversight.....	3,343	3,558	7,364	+3,806
Subtotal, Tribal Government	<u>374,764</u>	<u>374,689</u>	<u>401,738</u>	<u>+27,049</u>
Human Services				
Social Services.....	31,599	31,614	32,254	+813
Welfare Assistance	86,420	85,190	74,179	-11,011
Indian Child Welfare Act	10,300	10,909	10,167	-742
Housing Improvement Program	19,068	18,830	18,849	+19
Human Services Program Oversight	3,925	3,873	3,936	+63
Subtotal, Human Services.....	<u>151,312</u>	<u>150,416</u>	<u>139,385</u>	<u>-11,031</u>
Trust - Natural Resources Management				
Natural Resources, General	4,819	4,925	4,158	-767
Irrigation Ops. and Maintenance.....	9,111	13,042	12,480	-562
Rights Protection Implementation.....	22,065	21,262	18,148	-3,114
Tribal Mgmt./Development Program..	9,367	10,146	4,315	-5,831
Unresolved Hunting & Fishing Rights	76	0	0	0
Endangered Species	2,157	1,192	230	-962
Integrated Resource Information Prog	1,269	1,250	1,250	0
Agriculture and Range	24,221	24,272	23,554	-718
Forestry	42,357	42,137	43,094	+957
Water Resources	11,739	11,502	9,713	-1,789
Fish, Wildlife and Parks	6,281	6,525	6,506	-19
Minerals and Mining	8,162	8,179	11,464	+3,285
Resource Mgmt Program Oversight	8,735	8,322	7,598	-724
Subtotal, Trust-NR Management	<u>150,359</u>	<u>152,754</u>	<u>142,510</u>	<u>-10,244</u>
Trust - Real Estate Services				
Trust Services, General	9,014	11,069	10,492	-577
Navajo-Hopi Settlement Program	1,127	1,139	1,162	+23
Probate	11,438	15,708	19,075	+3,367
Land Title and Records Offices	11,896	13,436	13,835	+399
Real Estate Services	40,983	40,578	47,647	+7,069
Land Records Improvement	7,986	7,891	16,801	+8,910
Environmental Quality.....	11,936	11,988	12,000	+12
Alaskan Native Programs.....	1,350	1,391	1,001	-390
Rights Protection	16,740	14,274	14,345	+71
Real Estate Services Oversight	23,073	24,368	16,291	-8,077
Subtotal, Trust-Real Estate Services..	<u>135,543</u>	<u>141,842</u>	<u>152,649</u>	<u>+10,807</u>
Education				
Elementary and Secondary Programs -				
Forward Funded	449,721	457,750	457,352	-398
Elementary and Secondary Programs..	76,218	77,223	60,800	-15,087
Post Secondary Programs	101,267	102,674	103,161	-849

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Education Management	10,566	8,783	17,842	+9,059
Subtotal, Education Programs.....	637,772	646,430	639,155	-7,275
Public Safety and Justice				
Law Enforcement	180,063	193,377	201,620	+8,243
Tribal Courts	17,762	17,621	12,109	-5,512
Fire Protection	1,222	1,144	0	-1,144
Subtotal, Public Safety and Justice ...	199,047	212,142	213,729	+1,587
Community And Economic Development				
Job Placement and Training	8,566	8,396	8,467	+71
Economic Development	4,879	4,407	4,401	-6
Road Maintenance	26,967	27,386	25,336	-2,050
Community Development	11,554	10,148	0	-10,148
Community Development Oversight ..	778	1,445	971	-474
Subtotal, Comm. & Economic Dev. ..	52,744	51,782	39,175	-12,607
Executive Direction & Admin. Services...	224,550	232,135	238,253	+6,118
TOTAL APPROPRIATION	1,926,091	1,962,190	1,966,594	+4,404

Highlights of Budget Changes

	<u>Amount</u>
Fixed Cost Increases	[+32,352]
Tribal Government	+27,049
To support Indian self-determination the proposal includes an increase of \$19,000 to fully fund indirect contract support costs for contracting Tribes. An increase of \$2,050 is proposed for central oversight and a \$1,800 increase is proposed for regional oversight. A decrease (-\$971) is proposed for the Indian self-determination fund. Internal transfers total +\$2,262. Fixed costs total \$3,963 of which \$2,908 are budgeted and \$1,055 are absorbed.	
Human Services	-11,031
Decreases are proposed for welfare assistance (-\$11,008) and the Indian Child Welfare Act (-\$690). Internal transfers total (-\$207). Fixed costs total \$1,191 of which \$874 are budgeted and \$317 are absorbed.	
Trust—Natural Resources Management	-10,244
An increase of \$2,000 is proposed for energy resource development. Decreases are proposed for irrigation operations and maintenance (-\$600); rights protection implementation (-\$3,260); the tribal management development program (-\$5,866); endangered species (-\$984); noxious weed eradication (-\$1,056); water management, planning, and predevelopment (-\$1,875); and fish, wildlife, and parks projects (-\$208). Internal transfers total (-\$495). Fixed costs total \$2,862 of which \$2,100 are budgeted and \$762 are absorbed.	
Trust—Real Estate Services	+10,807
To support trust reform, the proposal includes increases of \$3,000 to address the backlog of probate cases, and \$6,534 for the cadastral program to both reduce the backlog and implement the recommendations of the Fiduciary Trust Model. A decrease (-\$394) is proposed for Alaskan native programs. Internal transfers total (-\$414). Fixed costs total \$2,836 of which \$2,081 are budgeted and \$755 are absorbed.	
Education	-7,275
An increase of \$2,500 is proposed to realign the education offices and create new leadership positions to improve the effectiveness of education services. An increase of \$630 is proposed to provide ongoing education to all juveniles housed at BIA funded juvenile detention centers. A decrease (-\$16,371) is proposed to eliminate Johnson-O'Malley assistance grants due to the availability of other Federal funding and a lack of accountability for how the funding is used. Other	

	<u>Amount</u>
decreases include early childhood development (-\$3,253), administrative cost grants (-\$493), and tribal college endowment grants (-\$824). Internal transfers total +\$3,784. Fixed costs total \$9,203 of which \$6,752 are budgeted and \$2,451 are absorbed.	
Public Safety and Justice	+1,587
An increase of \$2,714 is proposed to staff the newest BIA funded detention centers. An increase of \$1,786 is proposed for law enforcement officers and equipment to be allocated to locations with the most serious crime. The budget includes an increase of \$1,480 for tribal justice support. A decrease (-\$1,144) is proposed to eliminate the community fire protection program. The budget is reduced (-\$5,330) for training related to tribal courts. Internal transfers total (-\$369). Fixed costs total \$3,339 of which \$2,450 are budgeted and \$889 are absorbed.	
Community and Economic Development	-12,607
Decreases include (-\$2,602) for road maintenance, (-\$493) for central office oversight, and (-\$10,148) for the elimination of community development earmarks. Internal transfers total (-\$30). Fixed costs total \$908 of which \$666 are budgeted and \$242 are absorbed.	
Executive Direction and Administrative Services	+6,118
An increase of \$4,243 is proposed for direct rentals. An increase of \$500 is requested for the Office of Federal Acknowledgement. Internal transfers total (-\$4,531). Fixed costs total \$8,049 of which \$5,906 are budgeted and \$2,143 are absorbed.	
The 2007 budget includes \$554,000 for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide intranet, and a technical support center.	

APPROPRIATION: Construction

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Education	263,373	206,787	157,441	-49,346
Public Safety and Justice	7,381	11,603	11,611	+8
Resources Management	40,289	45,099	37,810	-7,289
General Administration	2,126	2,105	2,111	+6
Construction Management	5,961	5,988	6,076	+88
Net Transfers.....	-7,343	0	0	0
TOTAL APPROPRIATION	311,787	271,582	215,049	-56,533

Highlights of Budget Changes

	<u>Amount</u> [+/-]
Fixed Cost Increases	[+11,354]
Education Construction	-49,346
The School Construction program includes \$29,822 to complete the replacement of the Muckleshoot Tribal School in Washington and fully fund the replacement of the Dennehotsi Boarding School in Arizona. The budget also includes \$6,714 for advanced planning and design. The Facilities Improvement and Repair program proposal of \$41,308 will focus on the backlog of health and safety deficiencies at the bureau-funded elementary and secondary schools. The budget includes \$50,745 for annual maintenance. The budget includes \$26,873 for replacement facility construction, a proposed new subactivity to fund replacement of individual buildings on school campuses when entire new school facilities are not needed. The employee housing repair program is funded at \$1,979. Fixed costs total \$1,049 of which \$695 are budgeted and \$354 are absorbed.	

	<u>Amount</u>
Public Safety and Justice Construction	+8
Fixed costs total \$12 of which \$8 are budgeted and \$4 are absorbed.	
Resources Management Construction	-7,289
The budget includes a decrease (-\$7,389) for Indian irrigation rehabilitation. Fixed costs total \$151 of which \$100 are budgeted and \$51 are absorbed.	
General Administration and Construction Management	+94
Fixed costs total \$142 of which \$94 are budgeted and \$48 are absorbed.	

APPROPRIATION: Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Land Settlements				
White Earth Land Settlement (<i>Admin.</i>)	616	634	625	-9
Hoopa-Yurok Settlement Fund	247	254	250	-4
Quinalt Indian Nation Boundary Settle	9,893	9,827	316	-9,511
Cuba Lake Land Settlement	1,726	0	0	0
Water Settlements				
Pyramid Lake Water Rights Settle	140	144	142	-2
Colorado Ute.....	7,889	8,111	0	-8,111
Cherokee, Choctaw, and				
Chickasaw Settlement	9,833	9,829	10,339	+510
Zuni Water Settlement.....	13,805	5,444	0	-5,444
Rocky Boys O&M Trust Fund	0	0	7,500	+7,500
Nez Perce/Snake River	0	0	14,774	+14,774
TOTAL APPROPRIATION	44,149	34,243	33,946	-297

Highlights of Budget Changes

	<u>Amount</u>
Indian Settlements and Miscellaneous Payments	-297
A decrease (-\$8,111) is proposed for the completion of the Colorado Ute settlement. A decrease (-\$5,444) is proposed to reflect completion of the Zuni Water settlement. Decreases are proposed for the Quinalt Indian Nation Boundary settlement (-\$9,511), which will be completed with the remaining funding of \$316; White Earth Land Settlement Act (-\$9); Hoopa Yurok settlement (-\$4); and the Pyramid Lake Water Rights settlement (-\$2). In order to keep the Cherokee, Choctaw, and Chickasaw settlement on schedule, an increase of \$510 is proposed because of the across the board reductions in 2006. Increases are proposed for two new settlements, \$7,500 for the Rocky Boys O&M Trust Fund, and \$14,774 for the Nez Perce Snake River settlement.	

APPROPRIATION: Indian Guaranteed Loan Program Account

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	6,332	6,255	6,262	+7

Highlights of Budget Changes

	<u>Amount</u> [+8]
Fixed Cost Increases	
Indian Guaranteed Loan Program	+7

The Indian Guaranteed Loan Program enables banks to provide loans to Indian entrepreneurs, thereby further enhancing reservation economies and employment opportunities. Fixed costs total \$8 of which \$7 are budgeted and \$1 are absorbed.



DEPARTMENTAL OFFICES

Overview — The Department of the Interior protects and manages the Nation's cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated island communities. This mission is encompassed in the four themes delineated in the Department's strategic plan: resource protection, resource use, recreation, and serving communities.

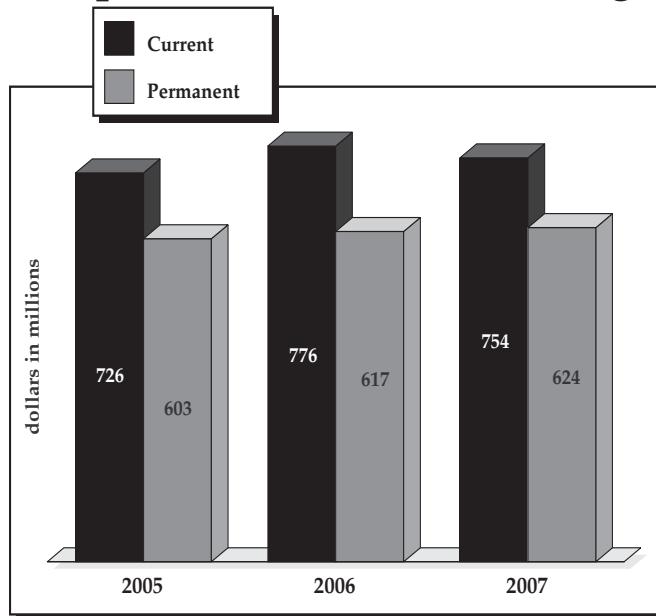
Within this mission, the Department of the Interior is accountable for wide-ranging programs such as fulfilling Indian trust responsibilities; migratory wildlife conservation; historic preservation; endangered species protection; abandoned mine lands restoration; and earth and natural resource science.

Departmental Offices principally provide leadership, management, and coordination activities. They also provide centralized services and oversee the operation of common systems used by the bureaus to accomplish their work.

The Office of the Secretary provides executive direction for the Department. It guides and coordinates the Department's administrative activities such as finance, information resources, procurement and acquisition, human resources, and budgeting. The Solicitor's Office provides legal services, and the Inspector General's Office reviews Departmental activities and conducts audits and investigations.

There are several other significant programs within Departmental Offices. The Payments in Lieu of Taxes program provides payments to local governments in jurisdictions where Federal lands are located. The Office of Insular Affairs provides assistance to insular areas, such as the Virgin Islands and Guam. The Office of the Special Trustee for American Indians manages and discharges the Secretary of the Interior's responsibilities for \$3.3 billion in trust assets for federally recognized American Indians. The Central Hazardous Materials Fund provides a coordinated, consistent approach to clean up Interior sites impacted by hazardous substances. The Natural

Departmental Offices Funding



Resource Damage Assessment and Restoration program coordinates all of the Department's restoration efforts for natural resources injured as a result of oil spills or hazardous substance releases into the environment on Interior or other lands where endangered species or migratory birds are impacted.

Management Excellence — The Department continues to make significant progress on the President's management agenda and other management improvements. Through management improvements, Interior is achieving greater efficiency and accountability, employing modern technology, eliminating duplication, and enhancing service to citizens.

Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of funds. The Interior Department is utilizing the results of Program Assessment Rating Tool reviews and Office of Inspector General, General Accountability Office, and National Association of Public Administration program evaluations to assist in the identification of measures

that can strengthen programs and improve the linkage of budget and performance information.

Activity-based cost management is being employed by the Department so that unit costs and performance by dollars spent and actions undertaken can be measured and compared. To further strengthen accountability and financial management, Interior is deploying the Financial and Business Management System, which will replace a variety of outdated, stand-alone systems that are costly to operate, difficult to secure, and unable to provide timely financial and performance information.

Office of the Secretary

Mission — The Office of the Secretary's mission is to provide the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are the Department of the Interior's responsibilities.

Program Overview — The Interior Department is comprised of eight bureaus and six Departmental offices, each with a unique mission. The Department of the Interior's 2007 budget request includes \$10.5 billion in current appropriations and anticipates the collection of \$17.0 billion in receipts. To deliver Interior's broad mission, employees operate from over 2,400 locations across the United States and include physical and social scientists, historians, architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers. In 2007, Interior will issue thousands of leases for oil and gas or geothermal exploration and development; deliver water to 31 million people; maintain and operate parks, wildlife refuges, and recreational areas that will host over 461 million visitors; and educate approximately 48,000 Indian children. The Interior Department manages 46,200 buildings and manages over half a billion acres of surface land.

Although a sizable task, the Office of the Secretary leads this dynamic organization with eight-tenths of one percent of Interior's total budget. The majority of activities associated with the Office of the Secretary are funded from the Departmental Management appropriation and located in Washington, D.C. Field offices across the country provide support for environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, appraisal services, and aircraft services.

The National Business Center provides major business and administrative services to Interior bureaus and offices and other Federal agencies on a fully reimbursable basis through the Working Capital Fund. The major business lines that NBC manages include financial management,

payroll and personnel, aircraft services, procurement and electronic commerce, web development, quarters management, drug testing, career development and on-line training, information technology, and facilities and property management.

Budget Overview — The 2007 President's budget request for Departmental Management is \$326.8 million. This will provide \$118.8 million for Salaries and Expenses, including \$89.2 million for the Office of the Secretary, \$7.4 million for consolidated appraisal services in the National Business Center, and \$22.2 million for the Financial and Business Management System. Departmental Management also includes \$198.0 million for the Payments in Lieu of Taxes program and \$9.9 million for the Central Hazardous Materials Fund.

Overall, the 2007 budget request for Salaries and Expenses is a reduction of \$11.4 million below the 2006 enacted funding level. Within this request are increases including \$1.5 million for fixed costs; \$1.4 million to fund cost increases in postage, space, and contracted accounting, acquisition, and personnel services; and \$527,700 to fund program increases. These increases are more than offset by reductions of \$14.8 million including a one-time grant to Kendall County, Illinois and matching funds for construction of the Martin Luther King Memorial.

The 2007 budget request for consolidated appraisal services reflects an increase of \$84,100 for fixed costs. The budget request for the Financial and Business Management System includes an adjustment of \$16,900 for fixed costs.

Program Changes — In an effort to help protect Interior's natural and cultural resources and lands, as well as the safety of employees and visitors, and improve the environmental performance of Interior's facilities and programs, an increase of \$127,700 is requested for the Office of Environmental Policy and Compliance. Funding will be used to enhance the Department's emergency preparedness and response to oil discharges and hazardous substance releases.

The 2007 budget requests an increase of \$400,000 to implement a new hearings process for hydropower licensing required by the Energy Policy Act of 2005. This increase will allow the Department to staff this newly required function located in the Office of Hearings and Appeals with an administrative law judge and an attorney and fund other non-personnel costs.

Increased costs in 2007 for contracted personnel services are a result of additional requirements for background checks and identity verification required by Federal facility

security mandates. Costs are also increasing for accounting services provided to the Office of the Secretary as a result of complexities in completing the annual financial audit within abbreviated time frames and implementing new processes and procedures to comply with audit opinions and recommendations, OMB's business rules on reimbursable activity, and OMB Circular A-123 requiring enhanced internal controls. The costs for acquisition services are also increasing due to more complex and costly requirements for Federal contracting and procurement and increased contracting workloads. In addition to these costs totaling \$875,900, the budget includes an increase of \$384,000 to fund increased postage rates for mail and space requirements resulting from the addition and expansion of functions in the Office of the Secretary, and \$122,400 for working capital fund program changes.

Fixed Costs – Fixed costs for the Office of the Secretary total \$2.0 million of which \$1.5 million is budgeted and \$449,000 is absorbed.

Payments in Lieu of Taxes — The 2007 budget proposes \$198.0 million for the Payments in Lieu of Taxes program. The PILT payments are made for lands administered by Interior agencies including BLM, NPS, and FWS, as well as for land administered by other agencies such as the U.S. Forest Service and the U.S. Army Corps of Engineers.

The PILT payments are made to local governments in counties, townships, and other jurisdictions where certain Federal lands are located within their boundaries based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands within their boundaries but are unable to collect taxes on these lands. The budget funds \$197.6 million for PILT payments and \$400,000 for program administration. Although this is \$34.5 million below the 2006 record high level, it is comparable to historical funding levels.

Central Hazardous Materials Fund — The 2007 budget proposes \$9.9 million for the Central Hazardous Materials Fund. Within the 2007 request, fixed costs are fully funded at \$22,000 and a program increase of \$191,000 is requested to continue development of the Department's environmental management information system. The system will facilitate tracking and monitoring of hazardous materials sites and compliance with cleanup requirements. This system was highlighted as an important component of the Department's cleanup program in a recent IG review and the annual financial audit based on its capability to improve the Department's ability to maintain an inventory of sites, which are owned and operated by multiple bureaus throughout Interior.

Office of Insular Affairs

Mission — The Office of Insular Affairs assists the islands in developing more efficient and effective governments by providing financial and technical assistance, and helps manage Federal-island relations by promoting appropriate Federal policies.

Program Overview — The OIA carries out the Secretary's responsibilities for U.S. affiliated insular areas. These include the Territories of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, as well as the three freely associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The OIA achieves its mission by improving the financial management practices of insular governments, increasing economic development opportunities, and increasing Federal responsiveness to the unique needs of island communities.

Budget Overview — The proposed 2007 budget is \$426.3 million, of which \$79.2 million is requested in current appropriations, a \$2.3 million net decrease from 2006 that reflects the reduction of earmarked increases.

The budget continues to focus on strategies that contribute to increasing the self-sufficiency of insular areas. The 2007 request includes an increase of \$102,000 to improve the oversight of grants awarded under the Compacts of Free Association for the freely associated States of Micronesia, the Marshall Islands, and Palau. The additional funding will be used to improve OIA's capacity to monitor and administer financial assistance and grants. It is extremely important that OIA have high visibility in the freely associated States in order to ensure that institutional structures such as the joint economic and management committees are properly staffed and supported, and to ensure effective compliance with grant terms and conditions.

Permanent funding for insular areas is a reflection of long-term commitments that are guaranteed in law. Permanent appropriations for OIA in 2007 total \$347.1 million. This funding includes \$202.4 million in Compact of Free Association payments to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Also included is \$144.7 million in payments to Territories, which reimburses the Virgin Islands, for Federal excise taxes collected on rum sales, and Guam, for the income taxes collected from Federal employees and military personnel residing in Guam.

Fixed Costs — Fixed costs for the Office of Insular Affairs total \$248,000 and are fully funded.

Office of the Solicitor

Mission — The Office of the Solicitor's mission is to provide high quality legal and counseling services to the Secretary and Interior's offices and bureaus, administer the Ethics program, help resolve legal issues among bureaus and offices as they fulfill their duties, and manage Interior Freedom of Information Act appeals.

Program Overview — The Solicitor's Office attorneys provide legal advice and counsel to all areas of the Department in order to ensure that Interior's programs and initiatives are carried out in a manner consistent with applicable law and regulations. They prepare formal legal opinions; review draft legislation, regulations, contracts, and other documents; and provide informal legal advice in a wide variety of circumstances. In addition, the attorneys represent Interior in administrative litigation, and assist the Department of Justice with judicial litigation involving the Department.

Along with the legal and counseling responsibilities of the Interior Department, the Solicitor's Office also administers the Ethics program and the FOIA appeals program. The Ethics staff is responsible for overseeing the Interior's statutorily mandated ethics program by implementing the laws, executive orders, regulations, and Departmental policies concerning conflicts of interest and employee responsibilities and conduct. The FOIA appeals staff manages the extensive FOIA appeals processing function by reviewing appeals to determine the issues and develop the Department's response or decision.

Budget Overview — The Solicitor's 2007 budget request is \$56.8 million, an increase of \$2.1 million over 2006.

Program Changes — The Office of the Solicitor's 2007 budget request includes an increase of \$57,000 for Working Capital Fund program changes and a decrease of \$272,000 for one-time information technology increases in the 2006 budget.

Fixed Costs — Fixed costs for the Office of the Solicitor are fully funded at \$2.3 million.

Office of Inspector General

Mission — The mission of the Office of Inspector General is to promote excellence, accountability, and integrity in the programs, operations, and management of the Department of the Interior.

Program Overview — The OIG assists the Secretary and Congress by targeting resources toward oversight of the Department's most serious management and program

challenges, and toward high risk areas vulnerable to fraud, waste, abuse, and mismanagement. The OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact, or could impact Interior's ability to accomplish its mission. The OIG is required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of Departmental programs and operations. Effective implementation of this mandate addresses the public's demand for greater accountability and integrity in the administration of government programs and operations and the demand for programs that work better, cost less, and get the results about which Americans care most. The OIG headquarters is located in Washington, D.C., with field offices and staff in locations across the continental United States, the U.S. Virgin Islands, and Hawaii.

Budget Overview — The 2007 budget request for the OIG is \$40.7 million, an increase of \$2.2 million over 2006. This includes program increases of \$721,000 for Audits and \$290,000 for Administrative Services and Information Management.

Program Changes — The Office of Inspector General budget includes an increase of \$391,000 for benchmarking and best practices, \$330,000 for program reviews and assessments related to performance, \$76,000 to maintain current security clearances, \$174,000 to upgrade and enhance computer equipment and software, and \$40,000 for program and technical training.

Fixed Costs — Fixed costs for the Office of Inspector General are fully funded at \$1.1 million.

Office of the Special Trustee for American Indians

Mission — The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both tribal trust accounts and Individual Indian Money accounts. The OST oversees and coordinates the Department's efforts to establish consistent policies, procedures, systems, and practices throughout Interior for the Indian fiduciary trust. The OST has operational responsibility for financial trust fund management, including investment, receipt, and disbursement of Indian trust funds. The Bureau of Land Management, Minerals Management Service, Bureau of Indian Affairs, and the Secretary's Office of Hearings and Appeals, and Office of Historical Trust Accounting carry out additional trust functions of the Department.

Program Overview — The OST manages over \$3.3 billion of funds held in over 1,450 trust accounts for approximately 300 Indian Tribes, and over 277,000 open Indi-

vidual Indian Money accounts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

The Interior Department has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of the FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Norton*. The FTM includes a reorganization of Interior's fiduciary trust offices to improve delivery of services, effectiveness, and accountability of trust operations; the re-engineering of Interior's fiduciary trust business processes and systems to ensure that the Department meets its fiduciary trust goals and objectives; and the reduction of fractionated individual Indian trust land interests.

The primary concept of the FTM, working in partnership with the beneficiaries, is to improve the business processes for the delivery of services to tribal and individual Indian beneficiaries by standardizing, streamlining, and automating these processes and services. Progress to date on the FTM includes hiring Indian land surveyors and initiating the certified Federal surveyor program; establishing the division of Indian Probate Hearings; hiring staff to serve as the primary point of contact for beneficiaries; opening the Trust Beneficiary Call Center; implementing a nationwide lockbox system for the collection of trust payments; developing draft interagency handbooks and desk operating procedures that document the standardized and streamlined business processes; developing teams for updating Federal regulations in support of the FTM; and redesigning the minerals valuation process. On June 30, 2005, the implementation of the integrated system to support the FTM was completed at the BIA Anadarko and Concho agencies.

On January 6, 2003, the Department submitted the *Historical Accounting Plan for Individual Indian Money Accounts* to the U. S. District Court. The plan addresses the process to conduct a historical accounting for about 260,000 IIM accounts as directed by the court. The cost to complete the plan was estimated to be \$335 million.

On November 15, 2005, the Court of Appeals for the D.C. Circuit vacated a February 23, 2005 structural injunction imposed by the District Court in the *Cobell* litigation that called for a transaction-by-transaction accounting for all transactions back to 1887 at an expected cost of \$10 to \$12 billion. The Court of Appeals ruling specifically allows the use of statistical sampling as part of the IIM historical accounting. Interior is considering modifying its Janu-

ary 6, 2003 accounting plan, based on the information now available from the work of the past three years, and the recent appellate court decision vacating the District court's structural injunction. The process will consider lessons learned from work already completed, removal of the structural injunction, statistical sampling parameters, and accounting costs.

Budget Overview—The 2007 request for OST totals \$244.5 million, \$185.0 million for Federal Trust Programs, and \$59.5 million for Indian Land Consolidation. The request reflects a net \$21.7 million, or ten percent, increase above the 2006 enacted level and provides a significant increase in funding for purchase of individual Indian lands to reduce fractionation.

As a result of an evaluation of trust programs, reductions of \$4.9 million in OST will support other high priority trust reform initiatives. A reduction in the re-engineering program of \$1.0 million is possible as the design, development, and testing of the various FTM model implementations will be completed in 2007.

Other reductions include \$1.4 million in training programs due to the completion of the development of the trust officer certification program; \$885,000 based on completion of training on a standardized risk management tool to support risk assessments; and \$675,000 resulting from the completion of development and implementation of the Indian Trust Examiner Certification program.

In addition, a reduction of \$875,000 is possible in OST field operations and trust services programs based on efficiencies realized as a result of the implementation of the lockbox and the Trust Beneficiary Call Center.

Increases of \$197,000 are included to provide for additional outreach efforts to Tribes on self-determination contracts related to appraisal services and trust financial services and \$110,000 for the additional costs of space.

The OST budget includes \$30,200 for Working Capital Fund program changes.

Historical Accounting—Within the OST request is \$56.4 million for the Office of Historical Trust Accounting, continuing the level enacted by Congress in 2006. This amount will provide approximately \$39.0 million for IIM accounting, and \$17.4 million for tribal accounting. This amount may be revised depending on the outcome of any further court rulings in *Cobell v. Norton* or congressional action.

Within the \$39.0 million proposed for individual accounts, a total of \$6.5 million would be used to complete the recon-

ciliation of the remaining 17,034 judgment and per capita accounts. To address land-based transactions, Interior will use \$22.0 million to reconcile 1,000 land-based IIM transactions; continue imaging and coding 3,000 boxes of jacket folders and digitize 100,000 paper ledgers, resulting in the imaging and coding of three million pages of trust documents; and continue data completeness validation for a total of seven BIA regions. An additional \$6.5 million will be used to resolve the proper ownership of residual balances in special deposit accounts and distribute \$3.5 million in account balances to Tribes, individual Indians, and non-trust entities. In addition, \$4.0 million will be used for on-going litigation support costs associated with both individual and tribal cases for work provided by the Solicitor and the Department of Justice.

The \$17.4 million for tribal cases will support analysis and resolution of tribal claims and potential settlement negotiations with Tribes. It will also fund four tribal claims analyses.

Indian Land Consolidation — One of the greatest challenges facing the Federal government regarding fiduciary trust management is the fractionation of 3.2 million individual Indian interests in the land that the Federal government holds in trust. The Indian Land Consolidation program, which acquires small ownership shares in allotted lands from willing sellers, is a key component in trust reform and management.

With each successive generation, the individual interests in the land have become further divided and subdivided among heirs, each of whom get a smaller and smaller interest in the land. As this number of ownership interests grows, the cost of Federal resources necessary to undertake accounting and management responsibilities grows accordingly and the feasibility of using these lands for purposes that will generate income for individual Indians and Tribes declines. The ownership of many disparate, uneconomic, and small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

The Department has demonstrated success over the past several years acquiring these highly fractionated interests through the Indian Land Consolidation program. Through December 31, 2005, Interior has acquired a cumulative total of 202,775 interests. Over 86 percent of the interests purchased were interests of less than two percent ownership in the respective tracts of land. The nationwide program utilizes contractual arrangements with Tribes or private entities to purchase individual interests on behalf of the Department.

Once interests are purchased, title can be transferred to the Tribe. Purchase of fractional interests increases the

likelihood of more productive use of the land, reduces record keeping and large numbers of small dollar financial transactions, and decreases the number of accounts subject to probate.

The 2007 budget proposes funding of \$59.5 million for Indian land consolidation, an increase of \$25.4 million, or 75 percent above the 2006 enacted level. As part of this proposal, the Department will implement a tiered acquisition strategy targeting selected highly fractionated tracts. There are 2,173 highly fractionated tracts (defined as 200 or more interests per tract) owned by 98,905 individuals that own a total of 711,530 interests. A focus on these tracts will begin in 2006 and target an estimated 1,557 of these highly fractionated tracts owned by 64,055 individuals that own 520,685 individual interests located in ten geographic locations. In addition, partnership efforts will continue with tribal land consolidation efforts to leverage funding where appropriate.

The \$59.5 million in funding proposed for 2007 will provide for an acquisition program of approximately 80,000 additional fractionated interests. Estimates of interests to be acquired are based on average costs. As acquisition activities continue and interests are acquired, the average cost per acquisition, cost per interest, and number of interests will likely change from the experience to date.

Fixed Costs — Fixed costs for OST total \$810,000 and are fully funded.

Natural Resource Damage Assessment and Restoration Program

Mission — The mission of the Natural Resource Damage Assessment and Restoration program is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, tribal, and Federal co-trustee agencies, damage assessments provide the basis for determining the restoration needs that address the public's loss and use of these resources.

Program Overview — The Natural Resource Damage Assessment and Restoration program assesses the damages and injuries to natural resources entrusted to the Department of the Interior that are caused by oil spills or hazardous releases.

Appropriations and recoveries for the damage assessment are used to fund activities that identify and quantify injury and provide the basis for compensation from responsible parties, usually through negotiated settlements. Restoration activities are then carried out or funded by the responsible parties as compensation for the injury to

natural resources, and may include the replacement and protection of affected resources, acquisition of equivalent resources and services, and long-term environmental monitoring. These actions are taken on behalf of the public and in partnership with other natural resource trustees, including States, Tribes, and other Federal agencies. Responsible parties are also given an opportunity to participate in the assessment and restoration process by way of cooperative agreements.

Every damage assessment and restoration case managed by the program is conducted in collaboration with co-trustees, and all restoration plans must undergo public review and be approved by affected State and tribal governments. The Restoration program serves as a model for implementation of the Secretary's Four C's in its day-to-day operations through partnerships with tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry. These partners concur with Interior's emphasis on pursuing restoration as the ultimate goal of the program. The Restoration program is an integrated Departmental program, drawing upon the interdisciplinary strengths of the various bureaus and offices. A centralized program management function minimizes redundant administrative and managerial functions in the bureaus.

In 2005, the Secretary chartered a NRDAR Advisory Committee to provide advice and recommendations on issues related to the Department of the Interior's authorities, responsibilities, and implementation of the natural

resource damage statutes and regulations. The committee consists of 30 members selected from Federal, State, and tribal natural resource trustee agencies, representatives from business and industry, the academic community, and national and local environmental groups. In 2006, the Advisory Committee is continuing its work, leading to consensus recommendations in the spring of calendar year 2007.

Budget Overview — The 2007 request for the Restoration program is \$36.1 million, including \$30.0 million in permanent appropriations. For current appropriations, the \$6.1 million request is \$93,000 over the 2006 enacted appropriation. The \$6.1 million request includes \$3.9 million for damage assessment projects, \$1.6 million for program management, and \$576,000 for restoration support. The requested level of \$30.0 million for permanent appropriations represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2007. These receipts are used exclusively by trustees for restoration of damaged lands and resources, or for reimbursement of past assessment costs.

This request enables the program to restore 10,000 acres and 80 shoreline and stream miles of injured habitat and to set targets to initiate restoration activities at 25 new sites (200 cumulative) and to deposit an additional \$30.0 million in new settlement funds (\$337.0 million cumulative).

Fixed Costs — Fixed costs for this program total \$93,000, all of which are funded.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2007 Request with 2006 Enacted:

	2006 Enacted FTE	2006 Enacted Amount	2007 Request FTE	2007 Request Amount	Change from 2006 FTE	Change from 2006 Amount
Appropriations						
Departmental Management.....	393	130,238	398	118,845	+5	-11,393
Payments in Lieu of Taxes	1	232,528	1	198,000	0	-34,528
Central Hazardous Materials Fund.....	2	9,710	2	9,923	0	+213
Assistance to Territories	42	76,160	44	74,361	+2	-1,799
Compact of Free Association.....	0	5,313	0	4,862	0	-451
Office of the Solicitor	374	54,624	374	56,755	0	+2,131
Office of Inspector General.....	269	38,541	279	40,699	+10	+2,158
Office of Special Trustee for American Indians	590	188,774	605	185,036	+15	-3,738
Indian Land Consolidation.....	0	34,006	0	59,449	0	+25,443
Natural Resource Damage Assessment	6	6,016	6	6,109	0	+93
Subtotal, Appropriations.....	1,677	775,910	1,709	754,039	+32	-21,871
Permanents and Other						
Working Capital Fund.....	1,122	0	1,090	0	-32	0
Franchise Fund	111	0	151	0	+40	0
Indian Arts and Crafts Board	0	35	0	37	0	+2
Take Pride in America	0	23	0	23	0	0
Payments to U.S. Territories	0	144,700	0	144,700	0	0
Compact of Free Association.....	0	199,434	0	202,403	0	+2,969
Payment for Trust Accounting Deficiencies	0	6	0	0	0	-6
OST - Tribal Special Funds.....	0	176,608	0	185,968	0	+9,360
OST - Tribal Trust Fund.....	0	58,820	0	61,937	0	+3,117
Natural Resource Damage Assessment	0	32,000	0	30,000	0	-2,000
Departmental Management - Allocation Account .	102	0	102	0	0	0
Reimbursements - Departmental Management	228	0	233	0	+5	0
Reimbursements - Office of the Solicitor	42	0	42	0	0	0
Subtotal, Other Accounts	1,605	611,626	1,618	625,068	+13	+13,442
TOTAL, DEPARTMENTAL OFFICES.....	3,282	1,387,536	3,327	1,379,107	+45	-8,429
National Indian Gaming Commission	95	12,000	99	13,000	+4	+1,000

HIGHLIGHTS OF BUDGET CHANGES By Appropriation Activity/Subactivity

APPROPRIATION: Departmental Management

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Departmental Direction.....	13,890	13,884	14,013	+129
Management and Coordination.....	28,554	28,916	30,399	+1,483
Hearings and Appeals.....	7,919	7,950	7,895	-55
Central Services.....	27,696	33,367	35,095	+1,728
USBM Workers Compensation Costs.....	629	643	627	-16
Kendall County Grant.....	4,931	4,926	0	-4,926
Martin Luther King Memorial	0	9,852	0	-9,852
FBMS	14,160	22,224	22,240	+17
Indian Arts & Crafts Board.....	1,042	1,144	1,160	+16
Consolidated Appraisal Services	0	7,332	7,416	+84
TOTAL APPROPRIATION	98,821	130,238	118,845	-11,393

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+1,461]
Departmental Direction	+129
Within the budget, a funding re-alignment has been proposed to reflect current workload and staffing (-\$96.6). Fixed costs total \$322.6 of which \$225.8 are budgeted and \$96.8 are absorbed.	
Management and Coordination	+1,483
The budget includes an increase for the Office of Environmental Policy and Compliance for emergency preparedness and response to oil discharges and hazardous substance releases (+\$128). An increase of \$14 is also included for the overhead rate charged pertaining to the Office of Indirect Costs Negotiations. Within the budget, a funding realignment has been proposed to reflect current workload and staffing (+\$779.7). Fixed costs total \$801 of which \$561 are budgeted and \$240 are absorbed.	
Hearings and Appeals	-55
An increase is requested to implement the hearings requirement for hydropower licensing contained in the Energy Policy Act of 2005 (+\$400). Within the budget, a funding realignment has been proposed to reflect current workload and staffing (-\$596.2). Fixed costs total \$202 of which \$142 are budgeted and \$60 are absorbed.	
Central Services	+1,728
Increases in Central Services will address increased costs for space rental (+\$184), postage (+\$200), and administrative services for accounting and acquisition (+\$483), and personnel (+\$393). Within the budget, a funding realignment has been proposed to reflect current workload and staffing (-\$120.2). Fixed costs total \$665 of which \$465 are budgeted and \$200 are absorbed.	
The 2007 budget includes an increase of \$122 for projects funded through the Working Capital Fund including consolidation of diverse, separate messaging systems onto one enterprise system; a contracted effort to eliminate, over three years, the Department's backlog of nearly 2,000 appeals to Freedom of Information Act requests; the creation of an enterprise system that will improve the effective use of geographic information; and the Enterprise Services Network that became operational in 2005 and provides access to the Internet, a Department-wide intranet, and a technical support center.	
Kendall County Grant	-4,926
The budget includes a reduction of \$4,926 compared to the 2006 enacted level for the one-time grant funded in 2006.	

	<u>Amount</u>
Martin Luther King Memorial	-9,852

The budget includes a reduction of \$9,852 compared to the 2006 enacted level for the one-time funding provided in 2006.

APPROPRIATION: Payments in Lieu of Taxes

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	226,805	232,528	198,000	-34,528

Highlights of Budget Changes

	<u>Amount</u>
Payments in Lieu of Taxes	-34,528

The budget includes \$198,000 for PILT, a \$34,528 decrease below the 2006 enacted level.

APPROPRIATION: Central Hazardous Materials Fund

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	-3,645	9,710	9,923	+213

Highlights of Budget Changes

	<u>Amount</u>
Central Hazardous Materials Fund	+213

The budget includes an increase to address the continued development of a Departmental environmental management information system (+\$191). Fixed costs total \$22 of which \$22 are budgeted.

APPROPRIATION: Assistance to Territories

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
American Samoa				
Operations Grants.....	22,779	22,770	22,880	+110
Northern Marianas				
Covenant Grants (Mandatory)	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs	6,472	7,273	7,624	+351
Technical Assistance	11,716	10,524	8,226	-2,298
Maintenance Assistance Fund.....	2,268	2,266	2,277	+11
Brown Tree Snake.....	2,663	2,660	2,673	+13
Insular Management Controls	1,470	1,469	1,476	+7
Coral Reef Initiative	494	493	495	+2
Water and Wastewater Projects.....	0	985	990	+5
American Samoa Loan Subsidy	0	0	0	0
Subtotal, Territorial Assistance.....	25,083	25,670	23,761	-1,909
TOTAL APPROPRIATION	75,582	76,160	74,361	-1,799

Highlights of Budget Changes

	<u>Amount</u> [+248]
Fixed Costs	+110
American Samoa Operations Grants	+351
The budget request increases the operations grants to the American Samoan government by \$110 as part of the Department's on-going commitment to provide stable operations funding to encourage economic self sufficiency.	
Office of Insular Affairs	-2,298
The budget request increases the Office of Insular Affairs by \$102 in discretionary costs for staff, travel, and other costs associated with oversight of financial assistance provided through the Compact of Free Association. The budget also includes an increase of \$1 for projects funded through the Working Capital Fund. Fixed cost increases are fully funded at \$248.	
Technical Assistance	+11
Technical assistance is decreased by \$2,298 due to the elimination of lower priority earmarks for the prior service trust fund (-\$788); judicial training in the ninth circuit (-\$315); and the Marshall Islands Health Care program (-\$985). General Technical Assistance is decreased by \$210.	
Maintenance Assistance Funds	+13
The budget provides increased funding for technical assistance for public infrastructure (+\$11).	
Brown Tree Snake	+7
The budget request increases funding necessary to control and eradicate the brown tree snake on Guam and the CNMI and to prevent its introduction into Hawaii and the continental United States (+\$13).	
Insular Management Controls	+2
The budget request increases discretionary grants to improve insular government systems and services (+\$7).	
Coral Reef Initiative	+5
The budget increases discretionary grants to improve coral reef management and protection of the insular areas (+\$2).	
Water and Wastewater Projects	+5
The budget increases funding necessary for high priority water and wastewater projects in the U.S. Territories (+5).	

APPROPRIATION: Compact of Free Association

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Compact of Free Association	2,957	2,820	2,862	+42
Mandatory Payments	2,000	2,000	2,000	0
Enewetak Support.....	493	493	0	-493
TOTAL APPROPRIATION	5,450	5,313	4,862	-451

Highlights of Budget Changes

	<u>Amount</u>
Compact of Free Association	+42
An increase (\$42) is provided for an increase in postal service costs in the Freely Associated States.	-493

APPROPRIATION: Office of the Solicitor

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Legal Services	40,916	41,847	43,532	+1,685
General Administration	9,701	11,726	12,126	+400
Ethics	1,039	1,051	1,097	+46
TOTAL APPROPRIATION	51,656	54,624	56,755	+2,131

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+2,346]
Legal Services	+1,685
Fixed costs totals \$1,685 of which \$1,685 are funded.	
General Administration	+400
The budget includes \$57,000 for working capital fund program increases and a decrease of \$272,000 for one-time information technology increases in the 2006 budget. Fixed costs total \$615 of which \$615 are budgeted.	
Ethics	+46
Fixed costs total \$46 of which \$46 is budgeted.	

APPROPRIATION: Office of Inspector General

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Audit	16,270	16,725	17,748	+1,023
Investigations.....	13,529	14,130	14,728	+598
Admin. Services & Info. Management....	7,476	7,686	8,223	+537
TOTAL APPROPRIATION	37,275	38,541	40,699	+2,158

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+1,147]
Legal Services	+1,023
The budget includes ten additional staff for benchmarking and best practices (+\$391) and reviews for program evaluations and assessments (+\$330). Fixed cost total \$302 of which \$302 are funded.	
Investigations	+598
Fixed costs total \$598 of which \$598 are budgeted.	

	<u>Amount</u>
Administrative Services and Information Management	+537
The budget includes increases to maintain current security clearances (+\$76), upgrade and enhance computer equipment and software (+\$174), and to provide program and technical training (+\$40). Fixed costs total \$247 of which \$247 are budgeted.	

APPROPRIATION: Office of Special Trustee for American Indians

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Federal Trust Programs				
Executive Direction.....	2,216	2,199	2,150	-49
Program Ops, Support, & Improve	191,324	186,575	182,886	-3,689
TOTAL APPROPRIATION	193,540	188,774	185,036	-3,738

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	[+810]
Executive Direction	-49
Fixed costs totaling -\$49 are fully funded.	
Program Operations and Support	-3,689
Net decreases in funding as a result of program reviews include a reduction in the OST re-engineering program (-\$1,050); a decrease in the training program (-\$1,400); a decrease due to completion of training on a standardized risk management tool (-\$885), and a decrease as a result of implementation of the Indian Trust Examiner certification (-\$675). Other program changes include a reduction in the OST field operations and trust services programs based on efficiencies realized as a result of the implementation of the lockbox and the Trust Beneficiary Call Center (-\$875). These decreases are partially offset by increases to provide for additional outreach efforts to Tribes on self-determination contracts related to appraisal and trust financial services (+\$197) and for the additional costs of space and Departmental services (+\$140). Fixed costs total \$859 and are fully funded.	

APPROPRIATION: Indian Land Consolidation Program

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
TOTAL APPROPRIATION	34,514	34,006	59,449	+25,443

Highlights of Budget Changes

	<u>Amount</u>
Indian Land Consolidation	+25,443
Increase in funding for expansion of land consolidation efforts to acquire additional selected highly fractionated individual Indian land interests.	

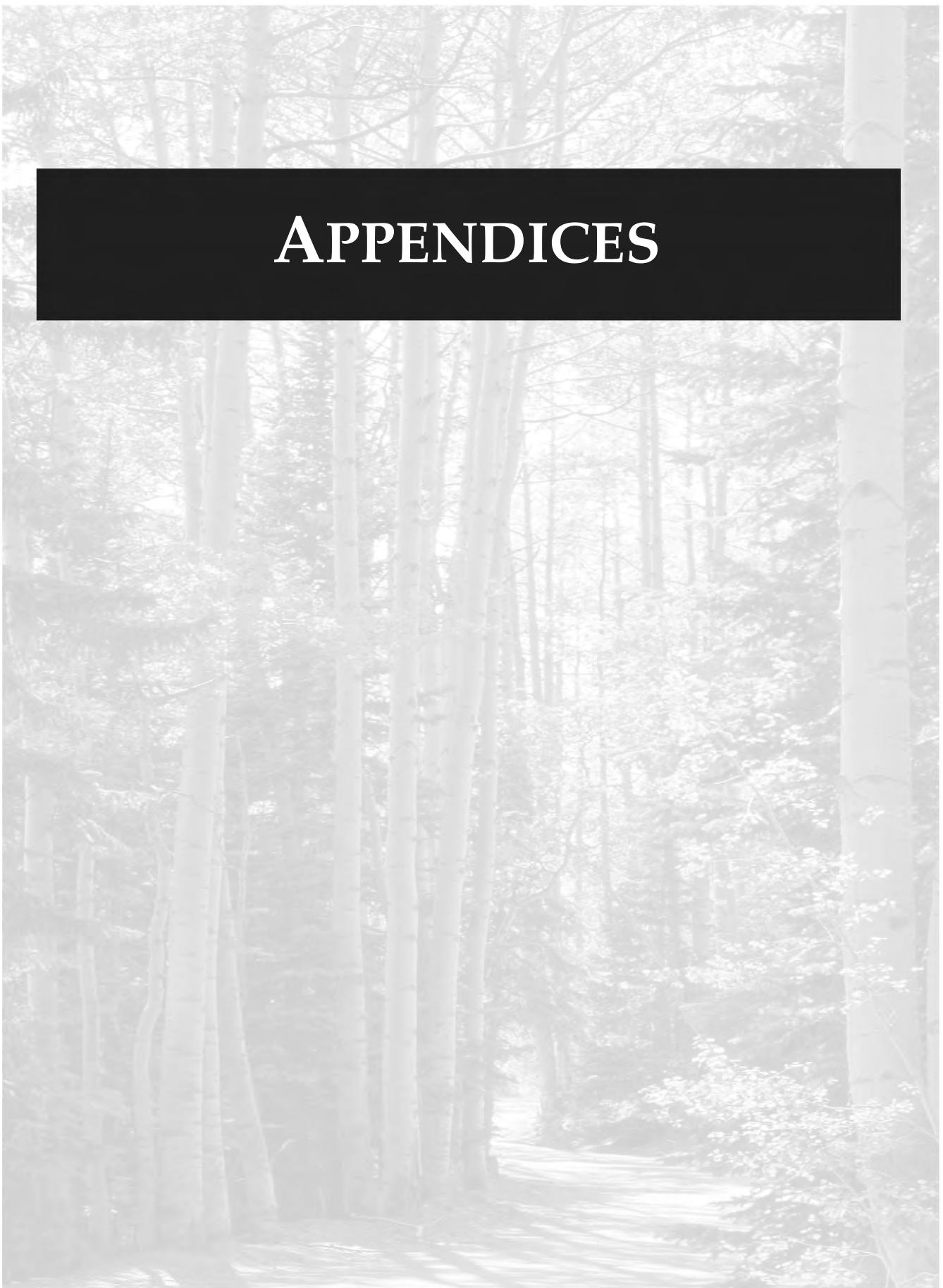
APPROPRIATION: Natural Resource Damage Assessment and Restoration

	2005 Actual	2006 Enacted	2007 Request	Change from 2006 Enacted
Damage Assessments	3,845	3,873	3,918	+45
Restoration Support.....	366	574	576	+2
Program Management.....	1,526	1,569	1,615	+46
TOTAL APPROPRIATION	5,737	6,016	6,109	+93

Highlights of Budget Changes

	<u>Amount</u>
Fixed Costs	+93

Fixed costs total \$93 and are fully funded.



APPENDICES

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY*

(in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
INTERIOR AND RELATED AGENCIES				
BUREAU OF LAND MANAGEMENT				
<i>Current Appropriations</i>				
Management of Lands and Resources	848,939	860,791	863,244	+2,453
Rescissions/reductions of new BA	-12,113	-12,659	0	+12,659
Rescissions of prior year BA	0	-500	0	+500
Net transfers	+7,500	0	0	0
Account total	844,326	847,632	863,244	+15,612
<i>In 2005 this account includes \$34.696 million for Mining Law Administration and telecommunication site fees, which are offset by collections.</i>				
Wildland Fire Management	743,099	766,564	769,560	+2,996
Title IV Wildland Fire Funds	100,000	0	0	0
Rescissions/reductions of new BA	-11,804	-11,278	0	+11,278
Account total	831,295	755,286	769,560	+14,274
Construction	11,500	11,926	6,476	-5,450
Rescissions/reductions of new BA	-160	-176	0	+176
Net transfers	-1,000	0	0	0
Account total	10,340	11,750	6,476	-5,274
Oregon and California Grant Lands	109,057	110,070	112,408	+2,338
Rescissions/reductions of new BA	-1,560	-1,619	0	+1,619
Account total	107,497	108,451	112,408	+3,957
Land Acquisition	11,350	8,750	8,767	+17
Rescissions/reductions of new BA	-158	-129	0	+129
Account total	11,192	8,621	8,767	+146
Service Charges, Deposits, and Forfeitures	19,786	25,483	25,483	0
Service Charges, Deposits, and Forfeitures Offset	-19,786	-25,483	-25,483	0
Range Improvements	10,000	10,000	0	-10,000
Miscellaneous Trust Funds	15,447	12,405	12,405	0
Subtotal, current appropriations	1,830,097	1,754,145	1,772,860	+18,715
Budget authority	[1,849,392]	[1,780,506]	[1,772,860]	[-7,646]
Rescissions/reductions of new BA	[-25,795]	[-25,861]	[0]	[+25,861]
Rescissions of prior year BA	[0]	[-500]	[0]	[+500]
Net transfers	[+6,500]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Permanent Operating Funds	1,068,873	833,725	792,642	-41,083
Miscellaneous Permanent Payments	356,397	268,960	256,598	-12,362
Miscellaneous Trust Funds	1,818	1,595	1,595	0
Subtotal, permanent appropriations	1,427,088	1,104,280	1,050,835	-53,445

* Notes explaining the scoring assumptions for this table are found beginning on page A-14.

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
BLM (continued)				
Total, Land Management	3,257,185	2,858,425	2,823,695	-34,730
Budget authority	[3,381,595]	[2,884,786]	[2,823,695]	[-61,091]
Rescissions/reductions of new BA	[-25,795]	[-25,861]	[0]	[+25,861]
Rescissions of prior year BA	[0]	[-500]	[0]	[+500]
Net transfers	[+6,500]	[0]	[0]	[0]
MINERALS MANAGEMENT SERVICE				
<i>Current Appropriations</i>				
Royalty and Offshore Minerals Management	169,175	153,651	156,651	+3,000
Rescissions/reductions of new BA	-2,356	-2,260	0	+2,260
Net transfers	+3,343	0	0	0
Account total (without hurricane supplemental)	170,162	151,391	156,651	+5,260
Hurricane supplemental	0	+16,000	0	-16,000
Account total (with hurricane supplemental)	170,162	167,391	156,651	-10,740
Oil Spill Research	7,105	7,006	6,903	-103
Rescissions/reductions of new BA	-99	-103	0	+103
Account total	7,006	6,903	6,903	0
Subtotal, current appropriations (without hurricane supplemental) ..	177,168	158,294	163,554	+5,260
Hurricane supplemental	0	+16,000	0	-16,000
Subtotal, current appropriations (with hurricane supplemental)	177,168	174,294	163,554	-10,740
Budget authority	[176,280]	[160,657]	[163,554]	[+2,897]
Supplementals	[0]	[+16,000]	[0]	[-16,000]
Rescissions/reductions of new BA	[-2,455]	[-2,363]	[0]	[+2,363]
Net transfers	[+3,343]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Mineral Leasing and Associated Payments	1,621,487	2,396,765	2,221,009	-175,756
Leases of Lands Acquired for Flood Control,				
Navigation, and Allied Purposes	4,612	3,061	2,764	-297
National Forests Fund, Payment to States	7,913	7,914	7,279	-635
Geothermal Revenue, County Share	0	2,693	0	-2,693
Coastal Impact Assistance Program	0	0	250,000	+250,000
Subtotal, permanent appropriations	1,634,012	2,410,433	2,481,052	+70,619
Total, Minerals Management (without hurricane supplemental)	1,811,180	2,568,727	2,644,606	+75,879
Hurricane supplemental	0	+16,000	0	-16,000
Total, Minerals Management (with hurricane supplemental)	1,811,180	2,584,727	2,644,606	59,879
Budget authority	[1,810,292]	[2,571,090]	[2,644,606]	[+73,516]
Supplementals	[0]	[+16,000]	[0]	[-16,000]
Rescissions/reductions of new BA	[-2,455]	[-2,363]	[0]	[+2,363]
Net transfers	[+3,343]	[0]	[0]	[0]

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT				
<i>Current Appropriations</i>				
Regulation and Technology	109,894	110,535	112,209	+1,674
Rescissions/reductions of new BA	-1,537	-1,626	0	+1,626
Account total	108,357	108,909	112,209	+3,300
Abandoned Mine Reclamation Fund	190,863	188,014	185,936	-2,078
Rescissions/reductions of new BA	-2,658	-2,766	0	+2,766
Account total	188,205	185,248	185,936	+688
Subtotal, current appropriations	296,562	294,157	298,145	+3,988
Budget authority	[300,757]	[298,549]	[298,145]	[-404]
Rescissions/reductions of new BA	[-4,195]	[-4,392]	[0]	[+4,392]
<i>Permanent Appropriations</i>				
Abandoned Mine Reclamation Fund	66,533	57,000	51,000	-6,000
Subtotal, permanent appropriations	66,533	57,000	51,000	-6,000
Total, Surface Mining	363,095	351,157	349,145	-2,012
Budget authority	[367,290]	[355,549]	[349,145]	[-6,404]
Rescissions/reductions of new BA	[-4,195]	[-4,392]	[0]	[+4,392]
U.S. GEOLOGICAL SURVEY				
<i>Current Appropriations</i>				
Surveys, Investigations, and Research	948,921	976,035	944,760	-31,275
Supplementals	+8,100	+3,670	0	-3,670
Rescissions/reductions of new BA	-13,457	-14,360	0	+14,360
Net transfers	+4,000	0	0	0
Account total (without hurricane supplementals)	947,564	965,345	944,760	-20,585
Hurricane supplementals	+1,000	+5,300	0	-5,300
Account total (with hurricane supplementals)	948,564	970,645	944,760	-25,885
Subtotal, current appropriations (without hurricane supplementals) ..	947,564	965,345	944,760	-20,585
Hurricane supplementals	+1,000	+5,300	0	-5,300
Subtotal, current appropriations (with hurricane supplementals)	948,564	970,645	944,760	-25,885
Budget authority	[948,921]	[976,035]	[944,760]	[-31,275]
Supplementals	[+9,100]	[+8,970]	[0]	[-8,970]
Rescissions/reductions of new BA	[-13,457]	[-14,360]	[0]	[+14,360]
Net transfers	[+4,000]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Operations and Maintenance of Quarters	81	60	50	-10
Contributed Funds	2,272	1,295	1,394	+99
Spectrum Relocation Activities	0	0	6,159	+6,159
Subtotal, permanent appropriations	2,353	1,355	7,603	+6,248
Total, Geological Survey (without hurricane supplementals)	949,917	966,700	952,363	-14,337
Hurricane supplementals	+1,000	+5,300	0	-5,300
Total, Geological Survey (with hurricane supplementals)	950,917	972,000	952,363	-19,637

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
USGS (continued)				
Budget authority	[951,274]	[977,390]	[952,363]	[-25,027]
Supplements	[+9,100]	[+8,970]	[0]	[-8,970]
Rescissions/reductions of new BA	[-13,457]	[-14,360]	[0]	[+14,360]
Net transfers	[+4,000]	[0]	[0]	[0]

FISH AND WILDLIFE SERVICE

Current Appropriations

Resource Management	977,205	1,008,880	995,594	-13,286
Supplements	0	+7,398	0	-7,398
Rescissions/reductions of new BA	-14,265	-14,843	0	+14,843
Net transfers	+11,083	0	0	0
Account total	974,023	1,001,435	995,594	-5,841
Construction	53,400	45,891	19,722	-26,169
Rescissions/reductions of new BA	-742	-675	0	+675
Net transfers	-11,500	0	0	0
Account total (without hurricane supplementals)	41,158	45,216	19,722	-25,494
Hurricane supplementals	+40,552	+30,000	0	-30,000
Account total (with hurricane supplementals)	81,710	75,216	19,722	-55,494
Land Acquisition	37,526	28,408	27,079	-1,329
Rescissions/reductions of new BA	-521	-418	0	+418
Account total	37,005	27,990	27,079	-911
Landowner Incentive Program	22,000	24,000	24,400	+400
Rescissions/reductions of new BA	-306	-333	0	+333
Rescissions of prior year BA	0	-2,000	0	+2,000
Account total	21,694	21,667	24,400	+2,733
Private Stewardship Grants Program	7,000	7,386	9,400	+2,014
Rescissions/reductions of new BA	-97	-109	0	+109
Account total	6,903	7,277	9,400	+2,123
Multinational Species Conservation Fund	5,800	6,500	8,217	+1,717
Rescissions/reductions of new BA	-81	-96	0	+96
Account total	5,719	6,404	8,217	+1,813
North American Wetlands Conservation Fund	38,000	40,000	41,646	+1,646
Rescissions/reductions of new BA	-528	-588	0	+588
Account total	37,472	39,412	41,646	+2,234
Coop. Endangered Species Conservation Fund	81,596	82,200	80,001	-2,199
Rescissions/reductions of new BA	-1,134	-1,199	0	+1,199
Rescissions of prior year BA	0	-1,000	0	+1,000
Account total	80,462	80,001	80,001	0
National Wildlife Refuge Fund	14,414	14,414	10,811	-3,603
Rescissions/reductions of new BA	-200	-212	0	+212
Account total	14,214	14,202	10,811	-3,391
Neotropical Migratory Bird Conservation	4,000	4,000	0	-4,000
Rescissions/reductions of new BA	-56	-59	0	+59
Account total	3,944	3,941	0	-3,941

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
FWS (continued)				
State and Tribal Wildlife Grants.....	70,000	68,500	74,666	+6,166
Rescissions / reductions of new BA.....	-972	-1,008	0	+1,008
Account total.....	69,028	67,492	74,666	+7,174
Subtotal, current appropriations (<i>without hurricane supplementals</i>)	1,291,622	1,315,037	1,291,536	-23,501
Hurricane supplementals	40,552	30,000	0	-30,000
Subtotal, current appropriations (<i>with hurricane supplementals</i>)	1,332,174	1,345,037	1,291,536	-53,501
Budget authority	[1,310,941]	[1,330,179]	[1,291,536]	[-38,643]
Supplementals	[+40,552]	[+37,398]	[0]	[-37,398]
Rescissions / reductions of new BA.....	[-18,902]	[-19,540]	[0]	[+19,540]
Rescissions of prior-year BA.....	[0]	[-3,000]	[0]	[+3,000]
Net transfers.....	[-417]	[0]	[0]	[0]
Permanent Appropriations				
Sport Fish Restoration	460,753	528,318	613,871	+85,553
Net transfers.....	-122,055	-164,345	-189,862	-25,517
Account total.....	338,698	363,973	424,009	+60,036
Migratory Bird Conservation Account	39,398	41,900	45,000	+3,100
North American Wetlands Conservation Fund.....	7,744	800	500	-300
National Wildlife Refuge Fund	11,531	6,500	6,500	0
Miscellaneous Permanent Appropriations.....	3,814	3,710	3,710	0
Recreational Fee Demonstration Program	4,288	4,200	4,750	+550
Federal Aid in Wildlife Restoration.....	251,218	263,883	277,116	+13,233
Contributed Funds.....	3,419	3,400	3,400	0
Coop. Endangered Species Conservation Fund	35,470	39,302	43,161	+3,859
Subtotal, permanent appropriations	695,580	727,668	808,146	+80,478
Total, Fish and Wildlife (<i>without hurricane supplementals</i>)	1,987,202	2,042,705	2,099,682	+56,977
Hurricane supplementals	+40,552	+30,000	0	-30,000
Total, Fish and Wildlife (<i>with hurricane supplementals</i>)	2,027,754	2,072,705	2,099,682	+26,977
Budget authority	[2,128,576]	[2,222,192]	[2,289,544]	[+67,352]
Supplementals	[+40,552]	[+37,398]	[0]	[-37,398]
Rescissions / reductions of new BA.....	[-18,902]	[-19,540]	[0]	[+19,540]
Rescissions of prior-year BA.....	[0]	[-3,000]	[0]	[+3,000]
Net transfers.....	[-122,472]	[-164,345]	[-189,862]	[-25,517]

NATIONAL PARK SERVICE

Current Appropriations

Operation of the National Park System	1,707,282	1,744,074	1,742,317	-1,757
Supplementals	0	+525	0	-525
Rescissions / reductions of new BA.....	-23,718	-25,659	0	+25,659
Net transfers.....	+5,172	0	0	0
Account total.....	1,688,736	1,718,940	1,742,317	+23,377
United States Park Police	81,204	81,411	84,775	+3,364
Rescissions / reductions of new BA.....	-1,128	-1,198	0	+1,198
Account total.....	80,076	80,213	84,775	+4,562

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
NPS (continued)				
National Recreation and Preservation	61,832	54,965	33,261	-21,704
Rescissions/reductions of new BA	-859	-809	0	+809
Net transfers	250	0	0	0
Account total	61,223	54,156	33,261	-20,895
Construction	307,362	301,291	229,269	-72,022
Rescissions/reductions of new BA	-5,182	-4,433	0	+4,433
Net transfers	-7,454	+17,000		-17,000
Account total (<i>without hurricane supplementals</i>)	294,726	313,858	229,269	-84,589
Hurricane supplementals	50,802	19,000	0	-19,000
Account total (<i>with hurricane supplementals</i>)	345,528	332,858	229,269	-103,589
<i>Transfer from Defense enacted for Fort Baker</i> <i>(add in 2005, non-add in 2006)</i>	[+1,900]	[+1,900]		
Rescission of contract authority (LWCF)	-30,000	-30,000	-30,000	0
Land Acquisition and State Assistance	148,411	64,909	24,343	-40,566
Rescissions/reductions of new BA	-2,062	-955	0	955
Net transfers	-2,035	-17,000	0	17,000
Account total	144,314	46,954	24,343	-22,611
Historic Preservation Fund	72,750	73,250	71,858	-1,392
Rescissions/reductions of new BA	-1,011	-1,078	0	1,078
Account total	71,739	72,172	71,858	-314
Subtotal, current appropriations (<i>without hurricane supplementals</i>)	2,310,814	2,256,293	2,155,823	-100,470
Hurricane supplementals	50,802	19,000	0	-19,000
Subtotal, current appropriations (<i>with hurricane supplementals</i>)	2,361,616	2,275,293	2,155,823	-119,470
Budget authority	[2,378,841]	[2,319,900]	[2,185,823]	[-134,077]
Supplementals	[+50,802]	[+19,525]	[0]	[-19,525]
Rescissions/reductions of new BA	[-33,960]	[-34,132]	[0]	[+34,132]
Net transfers	[-4,067]	[0]	[0]	[0]
Rescission of contract authority (LWCF)	[-30,000]	[-30,000]	[-30,000]	[0]
Permanent Appropriations				
Recreational Fee Permanent Appropriations	160,063	166,300	179,311	+13,011
Other Permanent Appropriations	98,647	99,813	105,382	+5,569
Spectrum Relocation Activities	0	0	15,453	+15,453
Miscellaneous Trust Funds	27,609	20,008	20,008	0
Land and Water Conservation Fund Contract Authority	30,000	30,000	30,000	0
Subtotal, permanent appropriations	316,319	316,121	350,154	+34,033
Total, Park Service (<i>without hurricane supplementals</i>)	2,627,133	2,572,414	2,505,977	-66,437
Hurricane supplementals	+50,802	+19,000	0	-19,000
Total, Park Service (<i>with hurricane supplementals</i>)	2,677,935	2,591,414	2,505,977	-85,437
Budget authority	[2,695,160]	[2,636,021]	[2,535,977]	[-100,044]
Supplementals	[+50,802]	[+19,525]	[0]	[-19,525]
Rescissions/reductions of new BA	[-33,960]	[-34,132]	[0]	[+34,132]
Net transfers	[-4,067]	[0]	[0]	[0]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
BUREAU OF INDIAN AFFAIRS				
<i>Current Appropriations</i>				
Operation of Indian Programs	1,955,047	1,991,490	1,966,594	-24,896
Rescissions/reductions of new BA	-27,766	-29,300	0	+29,300
Net transfers	3,310	0	0	0
Account total	1,930,591	1,962,190	1,966,594	+4,404
Construction	323,626	275,637	215,049	-60,588
Rescissions/reductions of new BA	-4,496	-4,055	0	4,055
Net transfers	-7,343	0	0	0
Account total	311,787	271,582	215,049	-56,533
Indian Land and Water Claims and				
Settlements and Miscellaneous Payments to Indians	44,771	34,754	33,946	-808
Rescissions/reductions of new BA	-622	-511	0	511
Account total	44,149	34,243	33,946	-297
Indian Guaranteed Loan Program Account	6,421	6,348	6,262	-86
Rescissions/reductions of new BA	-89	-93	0	+93
Account total	6,332	6,255	6,262	+7
Subtotal, current appropriations	2,292,859	2,274,270	2,221,851	-52,419
Budget authority	[2,329,865]	[2,308,229]	[2,221,851]	[-86,378]
Rescissions/reductions of new BA	[-32,973]	[-33,959]	[0]	[+33,959]
Net transfers	[-4,033]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Operation and Maintenance of Quarters	5,363	5,765	6,198	+433
Miscellaneous Permanent Appropriations	85,072	93,410	100,395	+6,985
White Earth Settlement Fund	1,642	3,000	3,000	0
Indian Guaranteed Loan Program Account	2,979	20,000	0	-20,000
Revolving Fund for Loans, Liquidating Account	0	-2,000	-2,000	0
Subtotal, permanent appropriations	95,056	120,175	107,593	-12,582
Total, Indian Affairs	2,387,915	2,394,445	2,329,444	-65,001
Budget authority	[2,424,921]	[2,428,404]	[2,329,444]	[-98,960]
Rescissions/reductions of new BA	[-32,973]	[-33,959]	[0]	[+33,959]
Net transfers	[-4,033]	[0]	[0]	[0]

DEPARTMENTAL OFFICES**DEPARTMENTAL MANAGEMENT***Current Appropriations*

Salaries and Expenses	82,355	132,183	118,845	-13,338
Supplemental	+3,000	0	0	0
Rescissions/reductions of new BA	-1,224	-1,945	0	+1,945
Net transfers	+14,690	0	0	0
Account total	98,821	130,238	118,845	-11,393

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
DM (continued)				
Payments in Lieu of Taxes	230,000	236,000	198,000	-38,000
Rescissions/reductions of new BA.....	-3,195	-3,472	0	+3,472
Account total.....	226,805	232,528	198,000	-34,528
Central Hazardous Materials Fund.....	9,855	9,855	9,923	+68
Rescissions/reductions of new BA.....	0	-145	0	+145
Net transfers.....	-13,500	0	0	0
Account total.....	-3,645	9,710	9,923	+213
Subtotal, current appropriations.....	321,981	372,476	326,768	-45,708
Budget authority	[322,210]	[378,038]	[326,768]	[-51,270]
Supplementals	[+3,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-4,419]	[-5,562]	[0]	[+5,562]
Net transfers.....	[+1,190]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Indian Arts and Crafts Board	24	35	37	+2
Take Pride in America	23	23	23	0
Subtotal, permanent appropriations	47	58	60	+2
Total, Departmental Management	322,028	372,534	326,828	-45,706
Budget authority	[322,257]	[378,096]	[326,828]	[-51,268]
Supplementals	[+3,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-4,419]	[-5,562]	[0]	[+5,562]
Net transfers.....	[+1,190]	[0]	[0]	[0]
INSULAR AFFAIRS				
<i>Current Appropriations</i>				
Assistance to Territories	76,255	76,883	74,361	-2,522
Rescissions/reductions of new BA.....	-673	-723	0	+723
Account total.....	75,582	76,160	74,361	-1,799
Compact of Free Association.....	5,499	5,362	4,862	-500
Rescissions/reductions of new BA.....	-49	-49	0	+49
Account total.....	5,450	5,313	4,862	-451
Subtotal, current appropriations.....	81,032	81,473	79,223	-2,250
Budget authority	[81,754]	[82,245]	[79,223]	[-3,022]
Rescissions/reductions of new BA.....	[-722]	[-772]	[0]	[+772]
<i>Permanent Appropriations</i>				
Compact of Free Association.....	196,082	199,434	202,403	+2,969
Payments to the U.S. Territories.....	144,689	144,700	144,700	0
Subtotal, permanent appropriations	340,771	344,134	347,103	+2,969

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2005 Actual</u>	<u>2006 Enacted</u>	<u>2007 Request</u>	<u>Change from 2006</u>
OIA (continued)				
Total, Insular Affairs	421,803	425,607	426,326	+719
Budget authority	[422,525]	[426,379]	[426,326]	[-53]
Rescissions/reductions of new BA	[-722]	[-772]	[0]	[+772]
OFFICE OF THE SOLICITOR				
<i>Current Appropriations</i>				
Office of the Solicitor	52,384	55,440	56,755	+1,315
Rescissions/reductions of new BA	-728	-816	0	+816
Net transfers	6	0	0	0
Account total	51,662	54,624	56,755	+2,131
Subtotal, current appropriations	51,662	54,624	56,755	+2,131
Total, Solicitor	51,662	54,624	56,755	+2,131
Budget authority	[52,384]	[55,440]	[56,755]	[+1,315]
Rescissions/reductions of new BA	[-728]	[-816]	[0]	[+816]
Net transfers	[+6]	[0]	[0]	[0]
OFFICE OF INSPECTOR GENERAL				
<i>Current Appropriations</i>				
Office of Inspector General	37,800	39,116	40,699	+1,583
Rescissions/reductions of new BA	-525	-575	0	+575
Account total	37,275	38,541	40,699	+2,158
Subtotal, current appropriations	37,275	38,541	40,699	+2,158
Total, Inspector General	37,275	38,541	40,699	+2,158
Budget authority	[37,800]	[39,116]	[40,699]	[+1,583]
Rescissions/reductions of new BA	[-525]	[-575]	[0]	[+575]
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS				
<i>Current Appropriations</i>				
Federal Trust Programs	196,267	191,593	185,036	-6,557
Rescissions/reductions of new BA	-2,727	-2,819	0	+2,819
Net transfers	-10,220	0	0	0
Account total	183,320	188,774	185,036	-3,738
Indian Land Consolidation	35,000	34,514	59,449	+24,935
Rescissions/reductions of new BA	-486	-508	0	+508
Net transfers	+10,220	0	0	0
Account total	44,734	34,006	59,449	+25,443
Subtotal, current appropriations	228,054	222,780	244,485	+21,705

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
OST (continued)				
Budget authority	[231,267]	[226,107]	[244,485]	[+18,378]
Rescissions/reductions of new BA.....	[-3,213]	[-3,327]	[0]	[+3,327]
Permanent Appropriations				
Payment for Trust Accounting Deficiencies	0	6,000	0	-6,000
Tribal Special Funds.....	168,198	176,608	185,968	+9,360
Tribal Trust Fund	56,019	58,820	61,937	+3,117
Subtotal, permanent appropriations	224,217	241,428	247,905	+6,477
Total, Special Trustee for American Indians.....	452,271	464,208	492,390	+28,182
Budget authority	[455,484]	[467,535]	[492,390]	[+24,855]
Rescissions/reductions of new BA.....	[-3,213]	[-3,327]	[0]	[+3,327]

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

Current Appropriations

Natural Resource Damage Assessment Fund.....	5,818	6,106	6,109	+3
Rescissions/reductions of new BA.....	-81	-90	0	+90
Subtotal, current appropriations.....	5,737	6,016	6,109	+93
Subtotal, current appropriations.....	5,737	6,016	6,109	+93
Budget authority	[5,818]	[6,106]	[6,109]	[+3]
Rescissions/reductions of new BA.....	[-81]	[-90]	[0]	[+90]

Permanent Appropriations

Natural Resource Damage Assessment and Restoration Fund.....	37,769	32,000	30,000	-2,000
Net transfers.....	-88	-1,000	-1,000	0
Account total.....	37,681	31,000	29,000	-2,000
Subtotal, permanent appropriations	37,681	31,000	29,000	-2,000
Total, Natural Resource Damage Assessment and Restoration	43,418	37,016	35,109	-1,907
Budget authority	[43,587]	[38,106]	[36,109]	[-1,997]
Rescissions/reductions of new BA.....	[-81]	[-90]	[0]	[+90]
Net transfers.....	[-88]	[-1,000]	[-1,000]	[0]

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
DEPARTMENTAL OFFICES SUMMARY				
Subtotal, current appropriations.....	725,741	775,910	754,039	-21,871
Budget authority	[731,233]	[787,052]	[754,039]	[-33,013]
Supplemental	[+3,000]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-9,688]	[-11,142]	[0]	[+11,142]
Net transfers.....	[+1,196]	[0]	[0]	[0]
Subtotal, permanent appropriations	602,716	616,620	624,068	+7,448
Budget authority	[602,804]	[617,620]	[625,068]	[+7,448]
Net transfers.....	[-88]	[-1,000]	[-1,000]	[0]
Total, Departmental Offices	1,328,457	1,392,530	1,378,107	-14,423
Budget authority	[1,334,037]	[1,404,672]	[1,379,107]	[-25,565]
Supplemental	[+3,000]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-9,688]	[-11,142]	[0]	[+11,142]
Net transfers.....	[+1,108]	[-1,000]	[-1,000]	[0]
NATIONAL INDIAN GAMING COMMISSION				
<i>Permanent Appropriations</i>				
National Indian Gaming Commission,				
Gaming Activity Fees	10,391	11,500	12,700	+1,200
Subtotal, permanent appropriations	10,391	11,500	12,700	+1,200
Total, National Indian Gaming Commission	10,391	11,500	12,700	+1,200
Budget authority	[10,391]	[11,500]	[12,700]	[+1,200]
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES SUMMARY				
Total, Interior, Environment, and Related Agencies				
(without hurricane supplements)	14,722,475	15,158,603	15,095,719	-62,884
Hurricane supplements	+92,354	+70,300	0	-70,300
Total, Interior, Environment, and Related Agencies				
(with hurricane supplements)	14,814,829	15,228,903	15,095,719	-133,184
Grand total, current authority, regular appropriations	[10,026,230]	[9,961,107]	[9,632,568]	[-328,539]
Supplements	[+103,454]	[+81,893]	[0]	[-81,893]
Rescissions/reductions of new BA	[-141,425]	[-145,749]	[0]	[+145,749]
Rescission of prior-year BA.....	[0]	[-3,500]	[0]	[+3,500]
Net transfers.....	[+6,522]	[0]	[0]	[0]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Net, current authority with hurricane supplements	[9,964,781]	[9,863,751]	[9,602,568]	[-261,183]
Net, current authority without hurricane supplements..	[9,872,427]	[9,793,451]	[9,602,568]	[-190,883]
Grand total, permanent authority	[4,972,191]	[5,530,497]	[5,684,013]	[153,516]
Net transfers.....	[-122,143]	[-165,345]	[-190,862]	[-25,517]
Net, permanent authority	[4,850,048]	[5,365,152]	[5,493,151]	[+127,999]

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
ENERGY AND WATER DEVELOPMENT				
BUREAU OF RECLAMATION				
<i>Current Appropriations</i>				
Water and Related Resources	859,481	883,514	833,424	-50,090
Rescissions / reductions of new BA	-6,876	-8,835	0	+8,835
Rescission of prior-year BA	0	0	-88,000	-88,000
Net transfers	+2,000	0	0	0
Account total (<i>without drought supplemental</i>)	854,605	874,679	745,424	-129,255
Drought supplemental	5,000	0	0	0
Account total (<i>with drought supplemental</i>)	859,605	874,679	745,424	-129,255
Policy and Administration	58,153	57,917	58,069	+152
Rescissions / reductions of new BA	-465	-579	0	+579
Account total	57,688	57,338	58,069	+731
California Bay-Delta Restoration	0	37,000	38,610	+1,610
Rescissions / reductions of new BA	0	-370	0	+370
Account total	0	36,630	38,610	+1,980
Central Valley Project Restoration Fund	54,695	52,219	41,478	-10,741
Rescissions / reductions of new BA	-67	-83	0	+83
Account total	54,628	52,136	41,478	-10,658
Subtotal, current appropriations (<i>without drought supplemental</i>)	966,921	1,020,783	883,581	-137,202
Drought supplemental	5,000	0	0	0
Subtotal, current appropriations (<i>with drought supplemental</i>)	971,921	1,020,783	883,581	-137,202
Budget authority	[972,329]	[1,030,650]	[971,581]	[-59,069]
Supplemental	[+5,000]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-7,408]	[-9,867]	[0]	[+9,867]
Rescissions of balances	[0]	[0]	[-88,000]	[-88,000]
Net transfers	[+2,000]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Colorado River Dam Fund, Boulder Canyon Project	69,380	80,974	83,309	+2,335
Miscellaneous Permanent	156	280	280	0
Loan Program Subsidy Re-estimate	20,667	2,058	0	-2,058
Loan Program Liquidating Account	0	-2,570	-2,606	-36
San Gabriel Basin Restoration Fund	310	445	300	-145
Reclamation Trust Funds	12,913	1,334	1,334	0
Spectrum Relocation Activities	0	0	4,550	+4,550
Subtotal, permanent appropriations	103,426	82,521	87,167	+4,646
Total, Reclamation (<i>without drought supplemental</i>)	1,070,347	1,103,304	970,748	-132,556
Drought supplemental	5,000	0	0	0
Total, Reclamation (<i>with drought supplemental</i>)	1,075,347	1,103,304	970,748	-132,556
Budget authority	[1,075,755]	[1,113,171]	[1,058,748]	[-54,423]
Supplements	[+5,000]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-7,408]	[-9,867]	[0]	[+9,867]
Rescission of prior-year BA	[0]	[0]	[-88,000]	[-88,000]
Net transfers	[+2,000]	[0]	[0]	[0]

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2005 Actual</u>	<u>2006 Enacted</u>	<u>2007 Request</u>	<u>Change from 2006</u>
CENTRAL UTAH PROJECT				
<i>Current Appropriations</i>				
Central Utah Project Completion Account.....	48,009	34,350	40,155	+5,805
Rescissions/reductions of new BA.....	-384	-343	0	+343
Net transfers.....	-15,345	-937	-965	-28
Account total.....	32,280	33,070	39,190	+6,120
Utah Reclamation Mitigation and Conservation Account....	0	0	0	0
Net transfers.....	+15,345	+937	+965	+28
Account total.....	15,345	937	965	+28
Subtotal, current appropriations.....	47,625	34,007	40,155	+6,148
Budget authority	[48,009]	[34,350]	[40,155]	[+5,805]
Rescissions/reductions of new BA.....	[-384]	[-343]	[0]	[+343]
<i>Permanent Appropriations</i>				
Utah Reclamation Mitigation and Conservation Account....	-1,946	0	0	0
Subtotal, permanent appropriations	-1,946	0	0	0
Total, Central Utah Project	45,679	34,007	40,155	+6,148
Budget Authority	[46,063]	[34,350]	[40,155]	[+5,805]
Rescissions/reductions of new BA.....	[-384]	[-343]	[0]	[+343]
ENERGY AND WATER DEVELOPMENT SUMMARY				
Total, Energy and Water Development				
(<i>without drought supplemental</i>)	1,116,026	1,137,311	1,010,903	-126,408
Drought supplemental	+5,000	0	0	0
Total, Energy and Water Development	1,121,026	1,137,311	1,010,903	-126,408
(<i>with drought supplemental</i>)	1,121,026	1,137,311	1,010,903	-126,408
Grand total, current authority	[1,020,338]	[1,065,000]	[1,011,736]	[-53,264]
Supplemental.....	[+5,000]	[0]	[0]	0
Rescissions/reductions of new BA.....	[-7,792]	[-10,210]	[0]	[+10,210]
Rescission of prior-year BA.....	[0]	[0]	[-88,000]	[-88,000]
Net transfers.....	[+2,000]	[0]	[0]	[0]
Net, current authority.....	[1,019,546]	[1,054,790]	[923,736]	[-131,054]
Grand total, permanent authority	[101,480]	[82,521]	[87,167]	[+4,646]

APPENDIX A

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY (in thousands of dollars)

Appropriation/ Bureau/Account	2005 Actual	2006 Enacted	2007 Request	Change from 2006
DEPARTMENT OF THE INTERIOR SUMMARY				
Total, Department of the Interior				
(without hurricane/drought supplementals).....	15,838,502	16,295,914	16,106,622	-189,292
Hurricane /Drought supplementals.....	+97,354	+70,300	0	-70,300
Total, Department of the Interior				
(with hurricane/drought supplementals).....	15,935,856	16,366,214	16,106,622	-259,592
Grand total, current authority.....	[11,046,568]	[11,026,107]	[10,644,304]	[-381,803]
Supplements	[+108,454]	[+81,893]	[0]	[-81,893]
Rescissions/ reductions of new BA.....	[-149,216]	[-155,959]	[0]	[+155,959]
Rescission of prior-year BA.....	[0]	[-3,500]	[-88,000]	[-84,500]
Net transfers.....	[+8,522]	[0]	[0]	[0]
Rescission of contract authority.....	[-30,000]	[-30,000]	[-30,000]	[0]
Net, current authority with hurricane and drought supplementals.....	[10,984,328]	[10,918,541]	[10,526,304]	[-392,237]
Net, current authority without hurricane and drought supplementals.....	[10,886,974]	[10,848,241]	[10,526,304]	[-321,937]
Grand total, permanent authority	[5,073,671]	[5,613,018]	[5,771,180]	[+158,162]
Net transfers.....	[-122,143]	[-165,345]	[-190,862]	[-25,517]
Net, permanent authority	[4,951,528]	[5,447,673]	[5,580,318]	[+132,645]

COMPARISON OF 2005, 2006, AND 2007 BUDGET AUTHORITY

EXPLANATORY NOTES

The budget totals in the *Interior Budget in Brief* differ from the presentation in the President's budget somewhat. The President's budget presentation uses a system of budget scoring required by the Budget Enforcement Act that is based on "net discretionary budget authority." The *Interior Budget in Brief* almost exclusively uses a system of scoring based on "current authority." Current authority portrays the amounts that Congress appropriates each year to carry out the Department's programs, including funds classified as mandatory under the Budget Enforcement Act that must still be appropriated each year. Most mandatory funding does not require annual appropriations and is excluded from current authority. Net discretionary excludes mandatory funding, and is reduced by offsetting receipts.

The different scoring can be seen in the budgets of BLM, OSM, OIA, Reclamation, and CUPCA. Both BLM and OIA have current accounts or portions of accounts that are classified as mandatory. Additionally, receipts offset some account totals. The BLM's Service Charges, Deposits and Forfeitures, and Reclamation's Central Valley Project include a discretionary offset (receipt) that nets into its discretionary bottom line. For 2005, the Utah Mitigation account for CUPCA is also adjusted for discretionary receipts. The Utah Mitigation account also includes a negative permanent appropriation that is scored by OMB as net discretionary rather than mandatory. For all other bureaus and offices the totals under either system is identical. In 2007, the President's budget proposes a one-year extension of the Abandoned Mine Lands excise coal production fee. The OMB has scored the 2007 fees as an offset to appropriations to reduce net discretionary spending.

The scoring differences have historically been slight, \$110.6 million in 2005 and \$96.0 million in 2006. In 2007, the difference of \$387.9 million is more significant due to the scoring of the proposed AML extension. A current versus discretionary reconciliation follows:

	2005	2006	2007
Total Current Authority	10,984,328	10,918,541	10,526,304
Adjustments for Mandatory Current accounts			
BLM Range Improvements	-10,000	-10,000	0
BLM Miscellaneous Trusts	-15,447	-12,405	-12,405
Insular Affairs, Assistance to Territories	-27,720	-27,720	-27,720
Insular Affairs, Compact Assistance	-2,000	-2,000	-2,000
Adjustments for Discretionary Offsets			
Central Valley Restoration Receipts	-46,369	-43,918	-33,755
CUPCA Net receipts	-6,150	0	0
AML Fee extension	0	0	-312,000
Permanent Scored as Discretionary			
Utah Reclamation Mitigation and Conservation	-1,946	0	0
Total Net Discretionary	10,874,696	10,822,498	10,138,424

The OMB presents the President's budget to the Congress in "millions of dollars." The presentation in the *Interior Budget in Brief* is based on amounts in "thousands of dollars," the level at which Congress appropriates. When several amounts that have been rounded to million of dollars are added or subtracted, small differences in the sum of these rounded numbers may be created as compared to the sum of the same numbers unrounded.

EXPLANATORY NOTES (CONTINUED)

This rounding effect may result in slight differences between the totals in the President's budget and totals in this document. This rounding effect also appears in those amounts that have been reduced by across-the-board reductions mandated by the appropriations acts since these reductions are made at the whole dollar level while most tables herein are in thousands of dollars.

In addition to the discretionary / current difference and the rounding effect, there are some underlying "scoring" assumptions of which users of this appendix should be aware to understand fully the numbers presented. These assumptions are described in the following.

2005 Actuals

- Division B of the 2005 Military Construction Appropriations Act, P.L. 108-324, signed October 13, 2004, provided funds to FWS, NPS, and USGS to repair hurricane damage and to Reclamation to alleviate Nevada drought conditions. The amounts are highlighted in Appendix A.
- The Consolidated Appropriations Act for 2005, P.L. 108-447, was signed December 8, 2004. This bill included appropriations for the accounts that normally receive funding from the Interior and Related Agencies (Division E) and the Energy and Water (Division C) appropriations bills. Title IV of the Interior section of the Consolidated Act also provided \$100.0 million for emergency Wildland Fire suppression or repayment costs. The Interior and Related Agencies section included an across-the-board reduction of 0.594 percent while the Energy and Water section had no reduction. The Consolidated Act also included a government-wide reduction of 0.8 percent. The Act provided Secretarial discretion to allocate the across-the-board reductions within the BIA's Land and Water Settlements account and exempted the \$100 million emergency wildland suppression funds from the 0.594 percent reduction but not the government-wide reduction.
- The Consolidated Act also included an Interior-wide fleet reduction of \$3.0 million distributed among the bureaus with large fleet operations and a transfer of \$13.5 million of unobligated Central Hazardous Materials balances to Departmental Management to offset the appropriation for the Financial and Business Management System. The bill also extended the Recreation Fee Demonstration program through 2015 and changed for 2006 the \$8.0 million cap on Indian Gaming fees to \$12.0 million.
- The Emergency Supplemental Appropriations for Defense, Global War on Terror, and Tsunami Relief, P.L. 109-13, was signed on May 11, 2005. Title IV provided \$8.1 million for USGS increased tsunami activities and Title V included \$3.0 million for Departmental Management operations. The amounts are included in all totals in Appendix A as they are on-going operational resources.
- The BLM's Management of Lands and Resources appropriation includes a separate appropriation for mining law administration that is to be reduced by the use of mining claim fees until the appropriation is reduced to zero and, thus, is not included in the total. In 2005, these fees were sufficient to cover the \$32.7 million appropriation for mining law administration; historically there is usually a slight shortfall.
- The OSM Regulation and Technology appropriation includes authority to retain civil penalties. The actual collections totaled \$89,057 versus the estimate of \$100,000, resulting in a final appropriation \$11,000 less than assumed upon enactment.
- Appendix A details transfers authorized by law, often within an appropriation act, and including emergency transfers executed under the authorities of Section 102 of the Interior appropriation. During 2005, there were

EXPLANATORY NOTES (CONTINUED)

no Section 102 transfers executed for fire suppression activities; nor were there any repayments of any emergency transfers. In 2005, there were two non-fire Section 102 transfers and a number of other transfers.

- Section 102 transfers included \$7.5 million for corrective actions related to the erosion of the JW Dalton climate change monitoring well in coastal Alaska and \$21.7 million for hurricane relief activities. Paying and receiving accounts follow:

Section 102 – JW Dalton

BLM Management of Land and Resources	+7,500
BLM Construction	-1,000
FWS Construction	-1,500
NPS Construction	-5,000

Section 102 – Hurricane relief

MMS Royalty and Offshore Minerals Management	+3,343
USGS Surveys, Investigations, and Research	+4,000
BIA Construction	-7,343
FWS Resource Management	+10,000
FWS Construction	-10,000
NPS Operation of the National Park Service	+4,354
NPS Construction	-4,354

- Other transfers within Interior accounts included a \$13.5 million transfer from the Central Hazardous Materials account to Departmental Management for the Financial and Business Management System; a transfer of \$1.2 million from BIA's operating account to Departmental Management related to the Indian Arts and Crafts Board; \$1.8 million to complete the final transfers from the NPS land acquisition account to the FWS and NPS operating accounts for Everglades activities; a \$250,000 transfer from NPS land acquisition to the National Recreation and Preservation account for Civil War sites report preparation; a \$6,000 transfer from OST to the Solicitor for trust support; and a \$10.2 million transfer from OST's operating account to OST Land Consolidation.
- In addition to internal transfers, the Department received or provided the following funds: \$4.5 million from the Department of Labor to BIA for economic development projects on Pribolof Islands; \$2.0 million from the Department of Energy to Reclamation for Tularosa desalination; \$1.9 million to NPS Construction from the Department of Defense for Fort Baker; \$163,000 to NPS for Drug Trafficking reduction activities; and \$47,000 from NPS to Federal Highways for support work on park lands.

2006 Estimates

- The Interior, Environment, and Related Agencies Appropriations Act, 2006, P.L. 109-54, was signed August 2, 2005. The Act included an across-the-board reduction of 0.476 percent. The Act provided Secretarial discretion to allocate the across-the-board reductions within the BIA's Land and Water Settlements account. The Act transfers \$17.0 million from unobligated balances in the NPS land acquisition modified water delivery program to NPS line item construction projects. These amounts are shown separately in Appendix A, as budget authority transfers, to conform to budget scoring rules. Again language was enacted to change for 2007 the \$8.0 million cap on Indian Gaming fees to \$12.0 million.
- The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations

EXPLANATORY NOTES (CONTINUED)

Act, 2006, P.L. 109-97, signed November 10, 2005, included technical corrections for the amounts appropriated in the Interior bill: NPS Construction was increased by \$17.0 million; NPS Land acquisition was reduced \$9.9 million; and Departmental Management was decreased \$10.0 million to eliminate a double add for the Martin Luther King Memorial.

- The Energy and Water Appropriations Act, P.L. 109-103, was signed November 19, 2005.
- The Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, included \$70.3 million for MMS, FWS, NPS, and USGS for response, recovery, and restoration activities from Hurricanes Katrina, Rita, Wilma, and Ophelia. Appendix A includes totals both with and without these funds due to their emergency, one-time nature. The Act also provided \$11.6 million to FWS, NPS, and USGS for Avian Flu research and monitoring.
- The Defense appropriation included a government-wide across-the-board rescission of exactly one percent against all 2006 regular appropriations for all agencies. The across-the-board rescission is not applicable to the hurricane supplemental and Avian Flu funding provided in the Act. It also included rescissions of \$3.5 million in unobligated balances for BLM and FWS accounts that are highlighted in Appendix A.
- An appropriation of \$1.9 million in the Defense Appropriations Act for transfer to NPS for Fort Baker is not included in the 2006 totals due to its origination outside the Interior, Environment, and Related Agencies Act and to avoid distorting the “differences” column. The 2005 amount for Fort Baker of \$1.9 million is scored.

2006 Authorization Proposals

OST Trust Accounting Deficiencies – In 1998, OST identified a difference between the OST investment balances and the underlying individual Indian Monies account balances. Since that time, approximately \$700,000 has been recovered as a result of historical account reconciliation efforts. An approximate \$6 million discrepancy currently exists between the investment balances and the IIM subsidiary accounts. The Administration has proposed legislation to balance the accounts that would authorize up to \$6.0 million be made available to credit the investment balances. This amount is shown in Appendix A.

2007 Estimates

Spectrum Relocation Activities – The Commercial Spectrum Enhancement Act, P.L. 108-494, required Federal agencies to relocate from certain spectrum bands to accommodate non-Federal usage. The act created a Spectrum Relocation Fund to facilitate reimbursement to affected agencies. The National Telecommunications and Information Agency is the lead agency and OMB administers the Fund. The OMB will make a one-time transfer of mandatory funds in 2007 to fund the relocation costs of USGS, NPS, and Reclamation. Funds will be transferred to these bureau’s operating accounts. Because these operating accounts do not typically have any mandatory appropriations, the estimated spectrum transfers are reported as distinct line items in Appendix A in the permanent sections. The Appendix A identifies this funding under the permanent appropriations.

2007 Appropriations Proposals

OSM Abandoned Mine Reclamation – The OSM fee collection authority will expire on June 30, 2006. The budget proposes interim legislation to extend the fee on all domestic coal production through September 30, 2007. The OMB has scored the 2007 fees as an offset to appropriations to reduce net discretionary spending.

EXPLANATORY NOTES (CONTINUED)

Rescission of Desert Terminal Lakes – The budget proposes to cancel \$88.0 million of unobligated balances in Reclamation's Water and Related Resources account.

2007 Authorization Proposals

Range Improvements – The budget for BLM proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Instead, revenues will be deposited to the U.S. Treasury. The BLM's new grazing rule will allow permittees to share title to range improvements. Therefore, permittees should be able to bear more of the cost of these improvements in the future.

Geothermal Implementation Fund – The Energy Policy Act of 2005, P.L. 109-58, dedicated 25 percent of geothermal revenues to be used by the BLM to expedite geothermal leasing activities. The budget proposes to eliminate the fund, direct the receipts to the General Fund, and fund increased leasing activity through user fees.

Federal Lands Transactions Facilitation Act – The Federal Land Transaction Facilitation Act, P.L. 106-248, authorizes the sale of BLM lands that have been classified as suitable for disposal under resource management plans in place at the time the Act was passed and allows the Department of the Interior to retain the proceeds from such sales to cover the administrative costs of those sales and to acquire other high-value non-Federal lands within specially-designated areas such as national parks, refuges, and monuments. The 2007 budget proposes to amend FLTFA to: allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from these sales to the U.S. Treasury; and cap Interior receipt retention at \$60 million per year.

National Indian Gaming Commission Fees – The budget proposes legislation to eliminate the current \$8.0 million revenue cap and allow fees levied on the gaming industry to be based on the level of gaming activity. Appropriations language is also included to request that the \$8.0 million cap be raised to \$12.0 million in 2007.

Repeal of Section 365 Energy Policy Act of 2005 – The 2007 budget assumes a repeal of Section 365 of the Energy Policy Act, effective in 2008. This authority provides an estimated \$20.7 million in annual rental receipts to fund seven BLM pilot offices that support 70 percent of workload for processing applications for permits to drill. The BLM will continue to receive rental receipts funding through 2006 and 2007 while new APD processing fee regulations are proposed and put in place to replace the mandatory rental receipts.

Additional information on all mandatory proposals is included in the Department Overview – Mandatory Proposals.

2007 REQUEST BY MISSION GOAL

(in millions of dollars)

RESOURCE PROTECTION

Appropriation/Bureau/Account	Improve health of watersheds and landscapes	Sustain biological communities	Protect cultural and heritage resources
BUREAU OF LAND MANAGEMENT			
Management of Lands and Resources ..	108.9	71.2	64.6
Wildland Fire Management	104.0	0	0
Construction.....	0	0	0
Land Acquisition	0	0	0.1
Oregon and California Grant Lands.....	20.7	10.7	2.1
Miscellaneous Trust Funds	1.8	0.8	0.1
Total BLM	235.4	82.7	66.9
OFFICE OF SURFACE MINING			
Regulation and Technology	0.3	0	0
Abandoned Mine Reclamation Fund	61.9	0	0
Total OSM.....	62.2	0	0
U.S. GEOLOGICAL SURVEY			
Surveys, Investigations, and Research..	0	0	0
Total USGS	41.0	106.5	0
FISH AND WILDLIFE SERVICE			
Resource Management	340.7	452.8	5.9
Construction.....	4.1	7.1	0.2
Land Acquisition	23.7	1.3	0.1
Landowner Incentive Program	0	24.4	0
Private Stewardship Grants	1.0	8.3	0
State Wildlife Grants Fund.....	0	37.3	0
National Wildlife Refuge Fund	6.5	2.3	0
North American Wetlands Conservation Fund.....	1.2	37.4	0
Cooperative Endangered Species Conservation Fund.....	2.2	77.8	0
Multinational Species Conservation Fund.....	0	8.2	0
Total FWS	379.4	657.0	6.2
NATIONAL PARK SERVICE			
Operation of the National Park System	189.7	59.1	370.5
US Park Police.....	0	0	26.7
National Recreation and Preservation ..	0.2	0.4	28.1
Historic Preservation Fund	0	0	71.9
Construction.....	20.1	2.2	99.0
Land Acquisition and State Assist	2.5	0	2.6
Total NPS	212.5	61.7	598.8
NATURAL RESOURCES			
DAMAGE ASSESSMENT	6.1	0	0
DEPARTMENTAL MANAGEMENT			
Appraisal Function	1.5	2.1	1.4
Central Hazardous Material Fund.....	9.9	0	0
Total DM.....	11.4	2.1	1.4

Note: Numbers may not add due to rounding.

APPENDIX B

2007 REQUEST BY MISSION GOAL (in millions of dollars)

RESOURCE PROTECTION (continued)

Appropriation/Bureau/Account	Improve health of watersheds and landscapes	Sustain biological communities	Protect cultural and heritage resources
SUBTOTAL, INTERIOR, ENVIRONMENT & RELATED AGENCIES.	947.9	909.9	673.3
BUREAU OF RECLAMATION			
Water and Related Resources	23.0	2.5	0.9
Policy and Administration.....	1.6	0.2	0.1
Total Reclamation.....	26.4	2.8	1.0
CUPCA			
Central Utah Project Completion	0	0.8	0
Utah Reclamation and Mitigation.....	0	0.9	0
Total CUPCA.....	0	1.8	0
SUBTOTAL, ENERGY AND WATER DEVELOPMENT	26.4	4.6	1.0
TOTAL, DEPARTMENT OF THE INTERIOR	974.3	914.4	674.3
MISSION GOAL TOTAL - ALL ACCOUNTS			2,563.1

Note: Numbers may not appear to add due to rounding.

2007 REQUEST BY MISSION GOAL
 (in millions of dollars)

RESOURCE USE

<u>Appropriation/Bureau/Account</u>	<u>Provide access to responsible use and optimum value-energy</u>	<u>Provide access to responsible use and optimum value-non-energy</u>	<u>Provide access to responsible use and optimum value-forage</u>	<u>Provide access to responsible use and optimum value-forest products</u>	<u>Deliver water in an environmentally responsible and cost-effective manner</u>	<u>Deliver power in an environmentally responsible and cost-effective manner</u>
BUREAU OF LAND MANAGEMENT						
Management of Lands and Resources	171.1	24.8	71.8	6.6	0	2.6
Oregon and California Grant Lands.....	0.1	1.0	0.6	47.0	0	0.1
Miscellaneous Trust Funds	0.2	0.3	0	0.2	0	0
Total BLM	171.4	26.1	72.4	53.8	0.1	2.8
MINERALS MANAGEMENT SERVICE						
Royalty and Offshore Mineral Mgmt. ..	133.7	3.0	0	0	0	0
Oil Spill Research	6.9	0	0	0	0	0
Total MMS	140.6	3.0	0	0	0	0
OFFICE OF SURFACE MINING						
Regulation and Technology	111.9	0	0	0	0	0
Abandoned Mine Reclamation Fund	0.2	0	0	0	0	0
Total OSM.....	112.1	0	0	0	0	0
US GEOLOGICAL SURVEY						
Surveys, Investigations, and Research..	0	0	0	0	0	0
Total USGS	24.6	32.3	0	0	0	0
FISH AND WILDLIFE SERVICE						
Resource Management	1.9	1.1	1.0	5.8	3.8	4.9
Construction.....	0	0	0	0	0.2	0
Total FWS	1.9	1.1	1.0	5.8	4.0	4.9
SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES						
	451.0	63.0	73.0	60.0	4.0	8.0
BUREAU OF RECLAMATION						
Water and Related Resources	0	0	0	0	731.6	60.9
Rescission of prior year balances	0	0	0	0	-88.0	0
Central Valley Project Restoration Fund	0	0	0	0	41.5	0
California Bay Delta.....	0	0	0	0	38.6	0
Policy and Administration.....	0	0	0	0	51.1	4.3
Total Reclamation.....	0.1	0.1	0.1	0.1	774.8	65.3
CUPCA						
Central Utah Project Completion	0	0	0	0	38.0	0
Total CUPCA.....	0	0	0	0	38.0	0
SUBTOTAL, ENERGY AND WATER DEVELOPMENT						
	0.1	0.1	0.1	0.1	812.8	65.3
TOTAL, DEPARTMENT OF THE INTERIOR						
	450.7	62.7	73.6	59.8	817.0	73.0
MISSION GOAL TOTAL - ALL ACCOUNTS						
						1,537.0

Note: Numbers may not appear to add due to rounding.

APPENDIX B

2007 REQUEST BY MISSION GOAL (in millions of dollars)

RECREATION

Appropriation/Bureau/Account	Ensure access to appropriate recreation opportunities on DOI lands	Ensure a quality experience of natural and cultural resources on DOI lands
BUREAU OF LAND MANAGEMENT		
Management of Lands and Resources	42.6	14.9
Construction.....	5.7	0
Oregon and California Grant Lands.....	6.8	2.2
Miscellaneous Trust Funds	2.6	3.2
Total BLM	57.6	20.3
FISH AND WILDLIFE SERVICE		
Resource Management	57.9	0
Construction.....	1.2	0
Land Acquisition	0.6	0
Private Stewardship Grants	0.2	0
State Wildlife Grants Fund.....	37.3	0
National Wildlife Refuge Fund	0.8	0
N. American Wetlands Conserv. Fund..	0.1	0
Total FWS	98.0	0
NATIONAL PARK SERVICE		
Operation of the National Park System	868.9	19.0
US Park Police.....	58.0	0
National Recreation and Parks.....	3.8	0
Construction.....	72.7	7.6
LWCF Rescission	-30.0	0
Land Acquisition and State Assist	19.2	0
Total NPS	992.6	26.6
DEPARTMENTAL MANAGEMENT		
Appraisal Function.....	1.9	0
SUBTOTAL, INTERIOR, ENVIRONMENT & RELATED AGENCIES		
	1,150.0	47.0
BUREAU OF RECLAMATION		
Water and Related Resources	7.8	6.7
Policy and Administration1/	0.6	0.3
Total Reclamation.....	8.4	7.0
SUBTOTAL, ENERGY AND WATER DEVELOPMENT		
	8.4	7.0
TOTAL, DEPARTMENT OF THE INTERIOR		
1,158.4	53.9	
MISSION GOAL TOTAL - ALL ACCOUNTS		
	1,212.3	

Note: Numbers may not appear to add due to rounding.

2007 REQUEST BY MISSION GOAL
 (in millions of dollars)

SERVING COMMUNITIES

<u>Appropriation/Bureau/Account</u>	<u>Protect lives and property</u>	<u>Advance knowledge through scientific leadership</u>	<u>Fulfill trust responsibilities</u>	<u>Advance quality communities for Tribes</u>	<u>Advance quality communities for Islands</u>
BUREAU OF LAND MANAGEMENT					
Management of Lands and Resources ..	284.2	0	0	0	0
Wildland Fire Management	665.3	0	0.4	0	0
Construction.....	0.8	0	0	0	0
Land Acquisition	8.6	0	0	0	0
Oregon and California Grant Lands.....	21.1	0	0	0	0
Miscellaneous Trust Funds	3.1	0	0	0	0
Total BLM	<u>983.2</u>	<u>0</u>	<u>0.4</u>	<u>0</u>	<u>0</u>
MINERALS MANAGEMENT SERVICE					
Royalty and Offshore					
Minerals Management.....	0	0	20.0	0	0
Total, MMS	<u>0</u>	<u>0</u>	<u>20.0</u>	<u>0</u>	<u>0</u>
OFFICE OF SURFACE MINING					
Abandoned Mine Reclamation Fund	123.8	0	0	0	0
Total OSM.....	<u>123.8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
US GEOLOGICAL SURVEY					
Surveys, Investigations, and Research..					
Total USGS	<u>86.0</u>	<u>654.4</u>	<u>0</u>	<u>0</u>	<u>0</u>
FISH AND WILDLIFE SERVICE					
Resource Management	119.7	0	0	0	0
Construction.....	7.1	0	0	0	0
Land Acquisition	1.4	0	0	0	0
National Wildlife Refuge Fund	1.2	0	0	0	0
N. American Wetlands Conserv. Fund..	2.9	0	0	0	0
Total FWS	<u>132.2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NATIONAL PARK SERVICE					
Operation of the National Park System	235.2	0	0	0	0
US Park Police.....	0	0	0	0	0
National Recreation and Parks.....	0.7	0	0	0	0
Construction.....	27.7	0	0	0	0
Total NPS	<u>263.7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BUREAU OF INDIAN AFFAIRS					
Operation of Indian Programs	0	0	335.8	1,630.7	0
Construction.....	27.2	0	14.6	173.2	0
Settlements	0	0	33.9	0	0
Guaranteed loans	0	0	0.0	6.3	0
Total BIA	<u>27.2</u>	<u>0</u>	<u>384.4</u>	<u>1,810.2</u>	<u>0</u>
OFFICE OF THE SPECIAL TRUSTEE					
Federal Programs	0	0	185.0	0	0
Indian Land Consolidation.....	0	0	59.4	0	0
Total OST	<u>0</u>	<u>0</u>	<u>244.5</u>	<u>0</u>	<u>0</u>

Note: Numbers may not appear to add due to rounding.

APPENDIX B

2007 REQUEST BY MISSION GOAL (in millions of dollars)

SERVING COMMUNITIES (continued)

Appropriation/Bureau/Account	Protect lives and property	Advance knowledge through scientific leadership	Fulfill trust responsibilities	Advance quality communities for Tribes	Advance quality communities for Islands
INSULAR AFFAIRS					
Assistance to Territories	0	0	0	0	74.4
Compact of Free Association	0	0	0	0	4.9
Total OIA	0	0	0	0	79.2
DEPARTMENTAL MANAGEMENT					
Appraisal Function.....	0.7	0	0	0	0
Payment in Lieu of Taxes	198.0	0	0	0	0
Total DM.....	198.7	0	0	0	0
SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES					
	1,814.9	654.4	649.3	1,810.2	79.2
CUPCA					
Central Utah Project Completion	0	0	0	0	0.3
Utah Reclamation and Mitigation.....	0	0	0	0	0
Total CUPCA.....	0	0	0	0	0.3
SUBTOTAL, ENERGY AND WATER DEVELOPMENT.....					
	0	0	0	0	0
TOTAL, DEPARTMENT OF THE INTERIOR	1,814.9	654.4	649.3	1,810.2	79.5
MISSION GOAL TOTAL - ALL ACCOUNTS					5,008.2

Note: Numbers may not appear to add due to rounding.

2007 REQUEST BY MISSION GOAL
(in millions of dollars)

MANAGEMENT EXCELLENCE

<u>Appropriation/Bureau/Account</u>	<u>Management Excellence</u>
DEPARTMENTAL MANAGEMENT	
Salaries and Expenses.....	111.3
Total DM.....	111.3
OFFICE OF THE SOLICITOR	56.8
OFFICE OF THE INSPECTOR GENERAL ...	40.7
SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES.....	208.8
TOTAL, DEPARTMENT OF THE INTERIOR	208.8
MISSION GOAL TOTAL - ALL ACCOUNTS.....	208.8

Note: Numbers may not appear to add due to rounding.

MAINTAINING AMERICA'S HERITAGE

(in thousands of dollars)

Bureau/Account	2005 Actual	2006 Enacted	2007 Request	2007 Compared to 2006
MAINTENANCE				
Bureau of Land Management				
Management of Land and Resources	77,813	76,646	75,381	-1,265
Oregon and California Grant Lands.....	10,619	10,742	10,821	+79
Wildland Fire Management	12,202	7,734	7,734	0
Subtotal, Bureau of Land Management	100,634	95,122	93,936	-1,186
U.S. Geological Survey				
Surveys, Investigations, and Research	33,204	33,284	32,995	-289
Fish and Wildlife Service				
Resource Management	153,830	152,463	149,924	-2,539
National Park Service				
Operation of the National Park System	582,739	593,073	601,800	+8,727
Bureau of Indian Affairs				
Operation of Indian Programs	76,695	79,553	80,510	+957
Subtotal, Maintenance	947,102	953,495	959,165	+5,670
CONSTRUCTION*				
Bureau of Land Management.....	10,340	11,750	6,476	-5,274
Fish and Wildlife Service.....	41,158	45,216	19,722	-25,494
National Park Service	294,726	313,858	229,269	-84,589
Bureau of Indian Affairs.....	311,787	271,582	215,049	-56,533
Subtotal, Construction.....	658,011	642,406	470,516	-171,890
TOTAL, DEPARTMENT OF THE INTERIOR.....	1,605,113	1,595,901	1,429,681	-166,220
TOTALS BY BUREAU				
Bureau of Land Management.....	110,974	106,872	100,412	-6,460
U.S. Geological Survey	33,204	33,284	32,995	-289
Fish and Wildlife Service.....	194,988	197,679	169,646	-28,033
National Park Service	877,465	906,931	831,069	-75,862
Bureau of Indian Affairs.....	388,482	351,135	295,559	-55,576
TOTAL, DEPARTMENT OF THE INTERIOR.....	1,605,113	1,595,901	1,429,681	-166,220

* In 2005 and 2006, Construction totals include transfers but exclude supplements

CONSTRUCTION PROGRAM

INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
BUREAU OF LAND MANAGEMENT			
Arizona			
Empire Ranch Headquarters Public Facilities and Accessibility, Phase II Construct a flush toilet, parking facilities, and walking trails at this historic operating ranch.	250	44	206
Little Boquillas Historic Ranch Fire Protection, Phase II A fire protection system will be installed in the historic ranch building complex, including fire alarm system, water line, sprinkler system, water storage tank, booster fire pumps, and two exterior hydrants.	272	45	227
California			
Clear Creek Work Center Phase II Construct a safe location to remove asbestos bearing materials from vehicles and equipment using the public lands in this area.	1,966	200	1,766
Colorado			
Devil's Canyon Trailhead Install an accessible vault toilet, construct a parking area, install vehicle control barriers, and construct an information kiosk and cabana to protect critical resources.	267	0	267
Penrose Common Area and Off-Highway Vehicle Roads and Trails Develop a network of roads, trails, and parking area; construct a vault restroom, and install signs.	118	0	118
Idaho			
Challis Horse Corrals Upgrade Correct deficiencies in the horse corrals to address safety issues and to improve efficiency of operation.	274	0	274
Lemhi River Total Maximum Daily Load Road Maintenance, Phase I Reconstruct and maintain 93 miles of road. Survey and design work will be completed in 2007, as well as acquisition of one-third of the rock for the road surface.	7,456	0	1,680
Stinking Springs Trailhead and Parking Construct a gravel parking area and install a buck and pole fence and trail signs.	129	0	129

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Idaho (continued)			
Wolf Flat Dispersed Camping Area Construct a gravel loop road with spurs and install parking barriers.	184	0	184
Oregon			
National Historic Oregon Trail Interpretive Center Curator Remodeling and Expansion Construct additional climate controlled area for secured storage of museum property and remodel an area into a secured workroom for curation of museum property and exhibit preparation.	633	0	633
Utah			
Pariette Wetlands Interpretive Trail Design and construct an interpretive trail through the Pariette Wetlands area.	113	0	113
Vernal District Warehouse Yards Reconstruction Phase I Facility planning, survey, and design work will be completed in 2007.	1,519	0	501
Bureau-wide			
Architectural and Engineering Services Provide for completion of survey and design work, final project design, and initial contract development for construction projects within the BLM Five-Year Plan.	378	0	378
TOTAL, BUREAU OF LAND MANAGEMENT			6,476

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
FISH AND WILDLIFE SERVICE			
Oklahoma			
Wichita Mountains National Wildlife Refuge Rehabilitation of Lake Rush Dam.	5,018	618	375
Washington			
Leavenworth National Fish Hatchery Correct instability of Nada Dams, Upper and Lower Snow.	3,089	299	500
Wyoming			
National Elk Refuge Replace deteriorated and unsafe shop and service building.	545	0	545
Jackson National Fish Hatchery Seismic rehabilitation of two buildings.	5,988	452	3,499
Michigan			
Jordan River National Fish Hatchery Replace effluent settling basin.	800	0	800
California			
Klamath Basin National Wildlife Refuge Complex Construct alternative water supply for the Klamath Basin.	10,000	8,265	1,735
Servicewide			
Division of Engineering National Wildlife Refuge System visitor enhancement projects.	--	--	1,000
Division of Safety, Security, and Aviation Replacement of survey aircraft.	16,000	3,456	500
Bridge Safety – Bridge Safety Program and Inspections Inspect 300 of the Service's 700+ bridges to ensure that they remain in a safe operating condition and are capable of carrying loads within design limits.	--	562	570

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Dam Safety – Dam Safety Program and Inspections Perform annual safety inspections and evaluations of high and significant hazard dams.	--	709	717
Core Engineering Services	--	5,813	5,795
Seismic Safety Program	--	128	100
Environmental Compliance Management	--	985	1,000
Waste Prevention, Recycling, and Environmental Management Systems	--	128	130
Cost Allocation Methodology	--	2,420	2,456
TOTAL, FISH AND WILDLIFE SERVICE			19,722

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
NATIONAL PARK SERVICE			
Alabama			
Tuskegee Airmen National Historic Site Preserve Moton Airfield Site and reconstruct Hangar No. 2.	11,109 4,093	7,721 0	3,388 4,093
California			
Redwood National Park Protect park resources by removing failing roads.	6,770	2,169	2,255
Point Reyes National Seashore Restore and enhance the coastal watershed.	2,444	0	2,444
Death Valley National Park Reconstruct non-compliant Furnace Creek water system.	8,754	0	8,754
District of Columbia			
The White House Rehabilitate the structure and utilities for the Executive Residence.	46,453	33,569	6,298
National Mall and Memorial Parks Rehabilitate Ford's Theatre National Historic Site and provide universal accessibility.	6,635	0	3,114
Florida			
Everglades National Park Modify water delivery system.	398,418	252,274	13,330
Dry Tortugas National Park Preserve Fort Jefferson.	6,883	0	6,883
Hawaii			
USS Arizona Memorial Replace support facilities for failing visitor center.	7,726	0	3,685
Hawaii Volcanoes National Park Replace non-compliant cesspools per State and EPA mandates.	4,319	0	4,319

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Maine			
Acadia National Park Rehabilitate sewage treatment system at Blackwoods Campground and Jordan Pond House.	2,390	0	2,390
Massachusetts			
Boston National Historical Park Replace barge with accessible ferry landing dock at Charleston Navy Yard.	1,527	0	1,527
Saugus Iron Works National Historic Site Restore Saugus River turning basin and dock.	3,202	0	3,202
New Mexico			
Carlsbad Caverns National Park Repair and rehabilitate sewer system.	3,690	0	3,690
New York			
Hamilton Grange National Memorial Restore, rehabilitate, and relocate memorial to new site.	8,493	0	8,493
Pennsylvania			
Valley Forge National Historical Park Rehabilitate support facilities at Washington's Headquarters for visitor use.	4,663	2,315	2,348
Independence National Historical Park Construct security fence and screening facilities.	4,985	0	843
Independence National Historical Park Rehabilitate Deschler-Morris-Bringhurst house utilities and exhibits.	4,809	0	4,809
South Dakota			
Wind Cave National Park Replace deteriorating cave lighting system.	2,965	0	2,965
Texas			
Big Bend National Park Treat drinking water at Rio Grande village.	2,216	0	2,216

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Washington			
Olympic National Park Restoration of Elwha River ecosystem.	146,484	115,034	20,010
Mount Rainier National Park Replace Jackson Visitor Center and rehabilitate upper and lower parking areas.	18,910	14,307	2,791
Mount Rainier National Park Rehabilitate failing structural components of Paradise Inn and annex.	15,984	7,900	8,084
Servicewide Special Programs	--	--	36,093
Construction Planning	--	--	19,649
Construction Program Management and Operations	--	--	38,360
General Management Planning	--	--	13,236
TOTAL, NATIONAL PARK SERVICE			229,269

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
BUREAU OF INDIAN AFFAIRS			
<i>Education Construction</i>			
Replacement School Construction			29,822
Replace schools in accordance with an established priority list as listed below.			
Arizona			
Denneshotso Boarding School			
Washington			
Muckleshoot Tribal School			
Multi-State			
Advanced Planning and Design			6,714
Employee Housing Repair			
Repair critical life safety related deficiencies in BIA employee housing.			1,979
Facilities Improvement and Repair			92,053
Repair critical life safety items, consolidate or close under-utilized facilities, and repair education facilities for BIA funded schools as listed below.			
Replacement Facility Construction			23,408
Kansas			
Kickapoo Nation School			
North Dakota			
Standing Rock Community School			
Wyoming			
St. Stephens School			
Multi-State			
Replacement Facility Planning and Design			3,465
<i>Subtotal, Education Construction</i>			<hr/> 157,441
<i>Public Safety and Justice Construction</i>			
Major Facilities Improvement and Repair			3,844
Address detention facilities improvement and repair needs, with emphasis on critical health and safety items identified in safety reports as listed below.			
Arizona			
Western Navajo Detention Center			

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Montana Northern Cheyenne Law Enforcement Center			
South Dakota Cheyenne-Eagle Butte Detention Center			
Washington Quinalt Detention Center			
Multi-State Facilities Improvement and Repair Address detention facilities improvement and repair needs, with emphasis on critical health and safety items identified in safety reports.			4,262
Fire Protection and Coordination Procure fire trucks and equipment and install fire sprinklers and fire and smoke alarms in dormitories, detention centers, and other buildings.			3,505
<i>Subtotal, Public Safety and Justice Construction</i>			11,611
Resources Management Construction			
New Mexico Navajo Indian Irrigation Project (NIIP)	765,000	604,715	12,597
Multi-State Engineering and Supervision Irrigation project engineering and supervision; Survey and Design			2,101
Safety of Dams Corrective construction as listed below.			296
Arizona Tufa Stone Dam			20,211
California Lauer Dam			
Nevada Weber Dam			
New Mexico Assayi Dam			

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Multi-State			
Dam Maintenance			1,925
Federal Energy Regulatory Commission activities			680
<i>Subtotal, Resources Management Construction</i>			37,810
General Administration			
Multi-State			
Telecommunications Improvement and Repair			892
Facilities Improvement and Repair			1,219
Construction Program Management			6,076
<i>Subtotal, General Administration Construction</i>			8,187
TOTAL, BUREAU OF INDIAN AFFAIRS			215,049

CONSTRUCTION PROGRAM
Energy and Water Development
 (in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
BUREAU OF RECLAMATION			
Arizona			
Central Arizona Project	4,429,268	3,395,589	26,949
Colorado River Basin Salinity Control, Title I	453,075	413,827	0
Colorado River Front Work and Levee System	195,448	119,662	5,495
Fort McDowell Indian Water Rights Settlement	6,153	1,332	396
Phoenix Metropolitan Water Reclamation Reuse	20,000	1,531	198
San Carlos Apache Tribe Water Settlement	37,850	99	297
Southern Arizona Water Rights Settlement Act	68,331	40,858	4,713
Tres Rios Wetlands Demonstration	7,421	7,198	223
California			
American River Division, CVP	182,064	172,746	0
Auburn-Folsom South Unit, CVP	3,137,808	416,595	4,025
Calleguas Water Recycling	20,000	8,853	990
Delta Division, CVP	409,132	272,133	10,325
Long Beach Water Reclamation	18,999	9,857	743
Miscellaneous Project Programs, CVP *	860,946	568,026	28,626
N. San Diego County Water Reclamation	20,000	17,063	1,238
Orange County Water Reclamation	20,000	16,164	1,238
Sacramento River Division, CVP	541,942	466,970	1,608
Salton Sea Research Project	40,000	24,688	743
San Diego Area Water Reclamation	172,590	80,437	3,465
San Felipe Division, CVP	378,478	314,512	823
San Gabriel Basin Project	38,090	30,935	743
San Joaquin Division, CVP *	695,881	190,842	11,295
San Jose Area Water Reclamation and Reuse Program	109,959	27,082	495
Shasta Division, CVP *	300,711	292,597	1,351
Trinity River Division, CVP *	420,806	376,894	7,000
West San Joaquin Division, San Luis Unit, CVP	1,891,272	611,915	2,483
* Note: Requested amounts include CVP Restoration Fund			
Colorado			
Animas La Plata Project	539,927	280,723	57,420
Idaho			
Minidoka Northside Drain Water Project	1,830	1,716	114
Minidoka Project, Grassy Lake Dam, Safety of Dams	6,303	6,303	0
Montana			
Fort Peck Reservation/Dry Prairie Water System	241,018	42,837	5,000
Nevada			
Lake Mead/Las Vegas Wash Program	20,000	10,994	476
North Dakota			
Garrison Diversion Unit	1,694,276	782,923	19,225

CONSTRUCTION PROGRAM
Energy and Water Development
 (in thousands of dollars)

Bureau/State/Project	Estimated Cost	Through 2006	2007 Request
Oregon			
Savage Rapids dam removal	31,627	4,082	13,000
South Dakota			
Lewis and Clark Rural Water System	332,355	38,292	21,000
Mni Wiconi Project	436,873	307,584	22,914
Texas			
Lower Rio Grande Water Conservation	47,000	8,263	50
Utah			
Provo River Project, Deer Creek Dam, Safety of Dams	17,528	15,365	0
Weber Basin Project	19,639	18,554	0
Washington			
Yakima River Basin Water Enhancement Project	301,444	68,178	11,484
Multi-State			
CO River Basin Salinity Control, Title II Basinwide	175,000	94,054	8,910
CO River Storage Project, Section 8	38,200	7,146	3,979
Columbia and Snake Rivers FCRPS ESA Implementation	na	122,280	17,325
Endangered Species Recovery Implementation	na	108,596	5,598
Safety of Dams Corrective Actions/Studies	1,352,588	1,029,002	49,203
TOTAL, BUREAU OF RECLAMATION			351,160
CENTRAL UTAH PROJECT			
Central Utah Project	767,004	309,382	37,068
TOTAL, CENTRAL UTAH PROJECT			37,068

COOPERATIVE CONSERVATION PROGRAMS

(in thousands of dollars)

Program	2005 Actual	2006 Estimate	2007 Estimate	2007 Compared to 2006
CHALLENGE COST SHARE				
Bureau of Land Management	7,396	9,357	9,357	0
Fish and Wildlife Service.....	4,339	4,281	8,559	+4,278
National Park Service				
Traditional	2,416	2,400	2,380	-20
Lewis and Clark.....	4,927	2,443	0	-2,443
Subtotal	19,078	18,481	20,296	+1,815
Fish and Wildlife Service				
Coastal Program	11,740	12,954	12,984	+30
Neotropical Migratory Birds	3,944	3,900	3,960	+60
Migratory Bird Joint Ventures	10,232	10,800	11,835	+1,035
Partners for Fish and Wildlife	47,534	50,151	42,660	-7,491
Departmental Management				
Take Pride in America.....	490	490	500	+10
CONSERVATION GRANT PROGRAMS				
Fish and Wildlife Service				
Landowner Incentive Program	21,694	21,667	24,400	+2,733
Private Stewardship Grants.....	6,903	7,277	9,400	+2,123
North American Wetlands Conservation Fund	37,472	39,411	41,646	+2,235
Coop. Endangered Species Conservation Fund	80,462	80,000	80,000	0
State and Tribal Wildlife Grants	69,028	67,492	74,666	+7,174
Subtotal, FWS Supporting Grant Programs	215,559	215,847	230,112	+14,265
TOTAL, DEPARTMENT OF THE INTERIOR*	308,577	312,623	322,347	+9,724

* Does not include Land and Water Conservation Fund State Grants

LAND ACQUISITION PROGRAM

Land and Water Conservation Fund

(in thousands of dollars)

State/Project	Acres	2007 Request
BUREAU OF LAND MANAGEMENT		
Acquisition Management		1,567
Emergencies/Inholdings/Hardships		1,000
California		
California Wilderness.....	1,250	500
Coachella Valley Fringe-Toed Lizard Area of Critical Environmental Concern	75	250
Subtotal		750
Idaho		
Upper Snake/South Fork Snake River Critical Environmental Concern/Special Recreation Management Area.....	400	1,500
Montana		
Blackfoot River Special Recreation Management Area.....	1,280	1,000
Chain-of-Lakes Recreation Management Area / Lewis and Clark National Historic Trail.....	2,000	1,000
Subtotal		2,000
Oregon		
Sandy River/Oregon National Historic Trail	200	750
Utah		
Colorado River Special Recreation Management Area.....	250	500
Wyoming		
North Platte River Special Recreation Management Area..	158	700
Subtotal, Bureau of Land Management		8,767
FISH AND WILDLIFE SERVICE		
Land Acquisition Management		7,171
Cost Allocation Methodology		1,802
Emergencies.....		1,478
Inholdings		1,478
Exchanges		1,478
Alaska		
Yukon Delta National Wildlife Refuge	6,500	495
Arizona		
Leslie Canyon National Wildlife Refuge	6,050	891
Arkansas		
Cache River National Wildlife Refuge.....	370	495
Florida		
St. Marks National Wildlife Refuge	1,084	1,584

LAND ACQUISITION PROGRAM
Land and Water Conservation Fund
(in thousands of dollars)

State/Project	Acres	2007 Request
Minnesota		
Northern Tallgrass Prairie National Wildlife Refuge	1,423	495
Montana		
Rocky Mountain Front Conservation Area	6,500	1,980
Oregon		
Upper Klamath National Wildlife Refuge	1,765	3,475
Virginia		
Eastern Shore of Virginia National Wildlife Refuge	180	2,277
Multi-State		
Highlands Conservation Act (CT,NJ,NY,PA).....	TBD	1,980
Subtotal, Fish and Wildlife Service		27,079
NATIONAL PARK SERVICE		
Acquisition Administration		9,021
Emergencies/Hardships.....		2,349
Inholdings and Exchanges		2,348
Pennsylvania		
Flight 93 National Memorial	1,656	5,000
Multi-State		
Civil War Battlefield Sites	TBD	4,000
Subtotal, National Park Service.....		22,718
DEPARTMENTAL MANAGEMENT		
Appraisal Services		7,416
TOTAL, DEPARTMENT OF THE INTERIOR.....		65,980

EVERGLADES RESTORATION

(in thousands of dollars)

Bureau/Account/Program Activity	2006 Enacted	2007 Request	2007 Compared to 2006
U.S. GEOLOGICAL SURVEY			
Surveys, Investigations, and Research	7,771	7,771	0
FISH AND WILDLIFE SERVICE			
Resource Management			
Comprehensive Everglades Restoration Plan Implementation....	3,269	3,269	0
Ecological Services.....	2,516	2,516	0
Refuges and Wildlife	4,086	4,086	0
Migratory Birds.....	101	101	0
Law Enforcement.....	619	619	0
Fisheries	95	95	0
Total, Fish and Wildlife Service	10,686	10,686	0
Comprehensive Everglades Restoration Plan			
Reimbursable Agreement with Corps of Engineers.....	[3,000]	[3,000]	[0]
NATIONAL PARK SERVICE			
Operation of the National Park System			
Park Management.....	25,832	26,350	+518
Comprehensive Everglades Restoration Plan Implementation....	4,620	4,658	+38
Task Force	1,286	1,308	+22
Everglades Research.....	3,840	3,863	+23
GSA Space.....	554	554	0
Construction			
Modified Water Deliveries Project	24,882	13,330	-11,552
Land Acquisition			
Everglades Acquisition Management.....	690	500	-190
Use of Prior Year Balances.....	-17,000	0	+17,000
Total, National Park Service.....	44,704	50,563	+5,859
BUREAU OF INDIAN AFFAIRS			
Operation of Indian Programs			
Seminole, Miccosukee Tribe Water Studies	382	382	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	63,543	69,402	+5,859

INVASIVE SPECIES

(in thousands of dollars)

Bureau	2005 Actual	2006 Estimate	2007 Estimate
BUREAU OF LAND MANAGEMENT	8,195	8,321	8,321
Prevention	1,878	1,859	1,859
Early Detection/Rapid Response	1,745	1,713	1,713
Control and Management	3,380	3,569	3,569
Restoration	681	674	674
Research.....	0	0	0
Education and Public Awareness.....	0	0	0
Leadership/International Cooperation	511	506	506
BUREAU OF RECLAMATION.....	2,729	2,700	2,879
Prevention	269	266	129
Early Detection/Rapid Response	59	58	317
Control and Management	2,045	1,772	1,661
Restoration	356	154	214
Research.....	0	450	535
Education and Public Awareness.....	0	0	7
Leadership/International Cooperation	0	0	16
US GEOLOGICAL SURVEY	10,880	11,145	10,973
Prevention	0	0	0
Early Detection/Rapid Response	1,630	1,602	1,602
Control and Management	0	0	0
Restoration	0	0	0
Research.....	9,250	9,543	9,371
Education and Public Awareness.....	0	0	0
Leadership/International Cooperation	0	0	0
FISH AND WILDLIFE SERVICE	24,606	26,500	23,706
Prevention	1,698	2,821	2,821
Early Detection/Rapid Response	3,720	4,548	3,563
Control and Management	10,149	9,835	7,894
Restoration	9,039	9,296	9,428
Research.....	0	0	0
Education and Public Awareness.....	0	0	0
Leadership/International Cooperation	0	0	0
NATIONAL PARK SERVICE	9,900	9,752	10,502
Prevention	0	0	0
Early Detection/Rapid Response	0	0	0
Control and Management	9,900	9,752	10,502
Restoration	0	0	0
Research.....	0	0	0
Education and Public Awareness.....	0	0	0
Leadership/International Cooperation	0	0	0
BUREAU OF INDIAN AFFAIRS	2,057	2,036	988
Prevention	102	101	49
Early Detection/Rapid Response	411	408	198
Control and Management	1,235	1,222	593
Restoration	102	101	49
Research.....	207	204	99
Education and Public Awareness.....	0	0	0
Leadership/International Cooperation	0	0	0

INVASIVE SPECIES
(in thousands of dollars)

Bureau	2005 Actual	2006 Estimate	2007 Estimate
OFFICE OF INSULAR AFFAIRS	2,662	2,660	2,673
Prevention	246	249	259
Early Detection/Rapid Response	665	665	665
Control and Management	546	562	565
Restoration	250	225	225
Research.....	840	840	840
Education and Public Awareness.....	40	25	25
Leadership/International Cooperation	75	94	94
TOTAL, DEPARTMENT OF THE INTERIOR.....	61,029	63,114	60,042
SUMMARY BY GOAL:			
Prevention	4,193	5,296	5,117
Early Detection/Rapid Response	8,230	8,994	8,058
Control and Management	27,255	26,712	24,784
Restoration	10,428	10,450	10,590
Research.....	10,297	11,037	10,845
Education and Public Awareness.....	40	25	32
Leadership/International Cooperation	586	600	616

GRANTS AND PAYMENTS

(in thousands of dollars)

Bureau/Grant or Payment	2005 Actual	2006 Estimate	2007 Request	2007 Compared to 2006
BUREAU OF LAND MANAGEMENT				
General Fund Payment to Counties and Native Corporations.....	106,271	109,594	100,901	-8,693
Payments to States and Counties from Shared Receipts including NPRA and SNPLMA Payments	351,397	263,960	256,598	-7,362
MINERALS MANAGEMENT SERVICE				
8(g) Payments to States.....	80,325	102,019	105,826	+3,807
Cooperative and Delegated Audits of Oil and Gas Ops	9,150	9,005	8,261	-744
Shared Receipts from Mineral Leasing	1,634,012	2,410,433	2,231,052	-179,381
Coastal Impact Assistance Program	0	0	250,000	+250,000
OFFICE OF SURFACE MINING				
Small Operator Assistance Program.....	1,457	0	0	0
State Abandoned Mine Reclamation Grants	147,523	145,352	145,352	0
State Regulatory Grants	57,207	56,365	58,365	+2,000
BUREAU OF RECLAMATION				
Boulder Canyon Project Payments to AZ, NV	600	600	600	0
Water Reclamation/Reuse Program.....	22,072	25,642	10,100	-15,542
Water 2025	11,000	0	9,700	+9,700
FISH AND WILDLIFE SERVICE				
Boating Infrastructure Grants.....	8,000	10,984	12,273	+1,289
Clean Vessel Act Grants.....	10,000	10,984	12,273	+1,289
Coastal Wetlands Conservation	24,881	27,026	32,082	+5,056
Cooperative Endangered Species Conservation Funds...	80,462	80,001	80,001	0
Federal Aid in Wildlife Restoration.....	219,196	231,306	243,971	+12,665
Fish and Wildlife Foundation.....	7,761	7,656	7,656	0
Fish Commission and Boating Council.....	1,200	1,200	1,200	0
Hunter Education and Safety Grant Program	8,000	8,000	8,000	0
Landowner Incentive Grants.....	21,694	21,667	24,400	+2,733
Multi-State Conservation Grant Program	6,000	6,420	6,280	-140
Multinational Species Conservation Funds.....	5,719	6,404	8,217	+1,813
National Outreach Program	10,000	10,984	12,273	+1,289
National Wildlife Refuge Fund	25,745	20,702	17,371	-3,331
Neotropical Migratory Bird Conservation	3,944	3,941	*+[+3,960]	-3,941
North American Wetlands Conservation Fund	45,216	40,211	42,146	+1,935
Private Stewardship Grants	6,903	7,277	9,400	+2,123
Sport Fish Restoration, Apportionment to States	273,006	290,360	341,396	+51,036
State and Tribal Wildlife Grants	69,028	67,492	74,666	+7,174
NATIONAL PARK SERVICE				
Chesapeake Bay Gateway Grants	2,465	1,478	0	-1,478
Civil War Battlefield Sites Matching Grants.....	1,975	5,000	4,000	-1,000
Heritage Partnership Program	14,459	13,202	7,299	-5,903
Historic Preservation Grants - HBCU	3,451	2,956	0	-2,956
Historic Preservation Grants - Indian Tribes.....	3,205	3,941	3,941	0
Historic Preservation Grants - State portion	35,500	35,717	35,717	0
LWCF State Conservation Grants	89,736	27,995	0	-27,995
Native American Graves Protection Act Grants.....	2,403	2,368	2,368	0
Preserve America.....	0	4,926	10,000	+5,074
Save America's Treasures	29,583	24,632	14,800	-9,832
Underground Railroad to Freedom Grants	296	368	0	-368

GRANTS AND PAYMENTS
(in thousands of dollars)

Bureau/Grant or Payment	2005 Actual	2006 Estimate	2007 Estimate	2007 Compared to 2006
DEPARTMENTAL MANAGEMENT				
Kendall County, IL Land Acquisition.....	4,931	4,926	0	-4,926
Payments in Lieu of Taxes.....	226,805	232,528	198,000	-34,528
OFFICE OF INSULAR AFFAIRS				
American Samoa.....	22,779	22,770	22,880	+110
Brown Tree Snake	2,663	2,660	2,673	+13
Compact of Free Association	201,532	204,747	207,265	+2,518
Coral Reef Initiative	494	493	495	+2
Covenant Grants.....	27,720	27,720	27,720	0
Insular Management Controls.....	1,470	1,469	1,476	+7
Maintenance Assistance	2,268	2,266	2,277	+11
Return Federal Taxes to Guam and Virgin Islands.....	144,689	144,700	144,700	0
Technical Assistance.....	11,716	10,524	8,226	-2,298
Water and Wastewater Projects	0	985	990	+5
TOTAL, DEPARTMENT OF THE INTERIOR	4,077,909	4,753,956	4,805,187	+51,231

**Requested within the Multinational Species Conservation Fund request.*

RECREATIONAL FEE PROGRAM

(in thousands of dollars)

Bureau	2005 Actual	2006 Estimate	2007 Estimate
BUREAU OF LAND MANAGEMENT			
Fee Revenues.....	13,259	14,000	14,000
Unobligated Balance Brought Forward and Recoveries.....	7,663	8,219	7,419
Funds Obligated	12,703	14,800	14,800
Unobligated Balance	8,219	7,419	6,619
Total Expenditures (outlays).....	12,274	12,960	12,960
<i>Obligations by Type of Project</i>			
Facilities Routine / Annual Maintenance.....	561	1,000	1,000
Facilities Capital Improvements	423	1,500	1,500
Facilities Deferred Maintenance.....	2,280	2,900	2,900
Subtotal	3,264	5,400	5,400
Interpretation and Visitor Services	4,126	4,000	4,000
Habitat Restoration	464	500	500
Direct Operation Costs - Cost of Collection	1,278	1,500	1,500
Law Enforcement	2,660	2,500	2,500
Fee Management Agreement and Reservation Services.....	911	900	900
Total Obligations	12,703	14,800	14,800
FISH AND WILDLIFE SERVICE			
Fee Revenues.....	4,288	4,200	4,750
Unobligated Balance Brought Forward and Recoveries.....	3,718	3,748	3,588
Funds Obligated	4,357	4,460	4,715
Unobligated Balance	3,648	3,488	3,623
Total Expenditures (outlays).....	4,159	4,200	4,750
<i>Obligations by Type of Project</i>			
Facilities Routine / Annual Maintenance.....	393	400	400
Facilities Capital Improvements	297	300	300
Facilities Deferred Maintenance.....	240	250	300
Subtotal	930	950	1,000
Interpretation and Visitor Services	1,901	1,952	2,050
Habitat Restoration	150	165	200
Direct Operation Costs - Cost of Collection	635	645	675
Law Enforcement	329	335	375
Fee Management Agreement and Reservation Services.....	1	3	5
Administration, Overhead, and Indirect Costs (CAM)	411	410	410
Total Obligations	4,357	4,460	4,715

Recreational Fee Program
(in thousands of dollars)

State	2005 Actual	2006 Estimate	2007 Estimate
NATIONAL PARK SERVICE *			
Fee Revenues.....	128,163	137,301	164,987
Unobligated Balance Brought Forward and Recoveries.....	240,669	245,108	211,909
Funds Obligated	125,224	172,000	202,000
Unobligated Balance	243,608	210,409	174,896
Total Expenditures (outlays).....	123,830	144,459	154,690
<i>Obligations by Type of Project</i>			
Facilities Routine / Annual Maintenance.....	54	65	1,200
Facilities Capital Improvements	1,500	2,500	5,000
Facilities Deferred Maintenance.....	67,500	95,000	100,000
Subtotal	69,054	97,565	106,200
Interpretation and Visitor Services	10,943	20,000	35,000
Habitat Restoration	9,000	7,500	9,000
Direct Operation Costs - Cost of Collection	32,895	34,400	36,800
Law Enforcement	0	500	2,000
Fee Management Agreement and Reservation Services.....	945	1,639	4,000
Administrative, Overhead, and Indirect Costs	2,387	8,000	9,000
Pass Administration and Overhead	0	2,396	0
Total Obligations	125,224	172,000	202,000

* Does not include fees from deed-restricted parks, National Park Passport, America the Beautiful Pass, or Transportation System fees or obligations. The increase in the 2007 figures represent a change in the fee pricing schedule.

Data for the Bureau of Reclamation are not included in this table. Reclamation was not part of the Rec-Fee Demo program and therefore does not have an established program from which to base 2007 estimates nor does it have any historical data to report. Reclamation is in the process of complying with the recently passed legislation and expects to have data to report in future budgets.

ENERGY PROGRAMS

(in thousands of dollars)

Bureau/Program	2006 Enacted	2007 Request	2007 Compared to 2006
BUREAU OF LAND MANAGEMENT			
Energy and Minerals Program			
Renewables/Energy and Minerals	[1,250]	[1,250]	[0]
Non-Renewables/Energy and Minerals.....	108,157	134,705	+26,548
Renewables/Lands and Realty	982	982	0
Non-Renewables/Lands and Realty	1,236	1,236	0
Subtotal, Bureau of Land Management	110,375	136,923	+26,548
<i>BLM Cost Recoveries</i>	3,360	3,360	0
<i>APD Oil and Gas Pilot Funding</i>	20,218	20,718	+500
<i>Geothermal Fund</i>	2,693	0	-2,693
<i>NPR-2 Revenue</i>	555	604	+49
MINERALS MANAGEMENT SERVICE			
Offshore Minerals Management			
Leasing and Environment.....	37,711	45,210	+7,499
Resource Evaluation	29,407	30,117	+710
Regulatory Operations	51,472	54,014	+2,542
Information Technology	30,181	30,024	-157
Minerals Revenue Management	77,882	79,158	+1,276
General Administration	47,468	46,858	-610
Subtotal, Minerals Management Service	274,121	285,381	+11,260
<i>MMS Cost Recoveries</i>	[9,488]	[18,150]	[+8,662]
FISH AND WILDLIFE SERVICE			
Energy and Hydropower Consultation	6,220	6,691	+471
U.S. GEOLOGICAL SURVEY			
Energy Resources	23,760	26,131	+2,371
BUREAU OF INDIAN AFFAIRS			
Natural Resources Management (TPA).....	2,548	2,976	+428
Natural Resources Management (non-TPA)	5,631	7,038	+1,407
Central Office Operations	134	734	+600
Regional Office Operations.....	1,216	1,216	0
Subtotal, Bureau of Indian Affairs	9,529	11,964	+2,435
DEPARTMENTAL MANAGEMENT			
Office of Hearings and Appeals	0	400	+400
TOTAL, DEPARTMENT OF THE INTERIOR.....	424,005	467,490	+43,485

Totals for BLM do not include cost recoveries and mandatories.

MINERAL REVENUE PAYMENTS TO STATES*

(in thousands of dollars)

State	2005 Actual	2006 Estimate	2007 Estimate
Alabama	1,019	1,505	1,394
Alaska **	44,639	37,114	26,895
Arizona	84	45	42
Arkansas	7,058	10,417	9,653
California	19,040	27,881	25,835
Colorado	106,720	157,333	145,788
Florida	286	422	391
Idaho	1,681	2,457	2,277
Illinois	145	214	199
Kansas	1,968	2,904	2,691
Kentucky	79	116	107
Louisiana	1,569	2,316	2,146
Michigan	489	721	668
Minnesota	10	15	14
Mississippi	868	1,281	1,187
Missouri	554	817	758
Montana	35,576	52,485	48,634
Nebraska	21	31	29
Nevada	7,832	11,464	10,623
New Mexico	444,673	655,659	607,543
North Dakota	13,547	19,995	18,527
Ohio	369	545	505
Oklahoma	4,229	6,242	5,784
Oregon	21	19	18
Pennsylvania	33	48	45
South Dakota	607	896	831
Texas	5,416	7,994	7,408
Utah	87,461	128,761	119,312
Virginia	322	476	441
Washington	268	395	366
West Virginia	829	1,224	1,134
Wyoming	878,732	1,296,443	1,201,304
TOTAL	1,666,146	2,428,240	2,242,549

* All fiscal years exclude payments made to coastal States under the Outer Continental Shelf Lands Act since they are direct, unappropriated transfers, and late interest payments. The new Coastal Impact Assistance funding is excluded in 2007. Although the source is OCS revenues, this is a grant program, and is not considered revenue sharing. The new Energy Act account for Geothermal Payments to Counties is also excluded. This account is active in 2006 (estimated at \$2.6 million), but the budget proposes to eliminate the account in 2007 with the revenues going back to the States.

** Includes National Petroleum Reserve – Alaska payments made by the Bureau of Land Management.

Columns may not add due to rounding

RECEIPTS BY SOURCE CATEGORY

(in thousands of dollars)

Source Category	2005 Actual	2006 Estimate	2007 Estimate	2007 Compared to 2006
OFFSETTING RECEIPTS				
Onshore Energy Mineral Leasing				
Rents and Bonuses				
Oil and Gas.....	270,980	291,371	216,863	-74,508
Coal	472,193	428,300	419,100	-9,200
Geothermal.....	692	1,400	1,250	-150
Oil Shale.....	0	15	15	0
All Other.....	-85	21	21	0
Royalties				
Oil and Gas.....	2,169,834	3,641,109	3,288,144	-352,965
Coal	459,527	542,731	570,322	+27,591
Geothermal.....	12,256	9,310	8,443	-867
All Other.....	27,247	58,825	57,921	-904
Subtotal, Onshore Mineral Leasing.....	3,412,644	4,973,082	4,562,079	-411,003
Noncompetitive Filing Fees.....	177	175	175	0
Grazing Fees	9,930	15,782	15,782	0
Timber Fees	16,160	28,593	34,036	+5,443
Recreation Entrance/Use Fees	166,006	184,790	198,351	+13,561
Park Concession Special Accounts and Other Fees	88,470	76,246	79,246	+3,000
Rent of Land and Structures.....	27,879	31,201	31,812	+611
Sale of Land, Water, Power, Buildings, etc.	1,183,556	1,111,808	1,147,450	+35,642
Offsetting Earnings on Investments.....	191,270	227,399	229,595	+2,196
All Other Offsetting Receipts	496,641	419,942	420,567	+625
Subtotal, Offsetting Receipts	5,592,733	7,069,018	6,719,093	-349,925
UNDISTRIBUTED PROPRIETARY RECEIPTS				
OCS Mineral Leasing				
Rents and Bonuses	678,564	706,540	698,910	-7,630
Royalties	5,465,707	8,411,500	8,842,500	+431,000
Subtotal.....	6,144,271	9,118,040	9,541,410	+423,370
Escrow Payout Interest.....	135	0	0	0
Subtotal, Undistributed Proprietary Receipts.....	6,144,406	9,118,040	9,541,410	+423,370
NON-OFFSETTING GOVERNMENTAL RECEIPTS				
Mined Land Reclamation Fee.....	293,375	299,768	311,700	+11,932
All Other Non-offsetting Receipts	333,359	378,246	392,230	+13,984
Subtotal, Non-offsetting Governmental Receipts.....	626,734	678,014	703,930	+25,916
UNDISTRIBUTED INTERFUND RECEIPTS				
Non-offsetting Earnings on Investments.....	1,469	1,547	1,628	+81
TOTAL, DEPARTMENT OF THE INTERIOR.....				
12,365,342	16,866,619	16,966,061	+99,442	

Total excluding Reclamation and Central Utah Project receipts... 12,362,043 16,543,864 16,628,022 +84,158

STAFFING

(Full-Time Equivalent Staff Years)

Bureau/Office	2005 Usage	2006 Estimated Usage	2007 Estimated Usage	2007 Compared to 2006
Bureau of Land Management.....	10,958	10,852	10,784	-68
Minerals Management Service *	1,651	1,654	1,684	+30
Office of Surface Mining	542	565	568	+3
Bureau of Reclamation	5,731	5,755	5,745	-10
U.S. Geological Survey	8,920	8,757	8,396	-361
Fish and Wildlife Service	9,170	9,170	9,152	-18
National Park Service	20,485	20,463	20,441	-22
Bureau of Indian Affairs.....	9,664	9,630	9,580	-50
Departmental Offices				
Departmental Management	698	726	736	+10
National Business Center *	1,233	1,233	1,241	+8
Office of the Solicitor	408	416	416	0
Office of Inspector General	265	269	279	+10
Office of Special Trustee for American Indians.....	565	590	605	+15
Office of Insular Affairs.....	39	42	44	+2
Central Utah Project.....	5	5	5	0
Natural Resource Damage Assessment	4	6	6	0
National Indian Gaming Commission.....	77	95	99	+4
TOTAL, DEPARTMENT OF THE INTERIOR.....	70,415	70,228	69,781	-447
Utah Mitigation Commission.....	11	13	13	0
COMBINED TOTAL.....	70,426	70,241	69,794	-447

* The Interior Franchise Fund is being transferred in 2006 to the National Business Center. To facilitate comparability, Franchise Fund staffing is shown in NBC for all years.

